

Britain under fire at summit over fishing ban

It came under attack for its ban on North Sea fishing when the meeting of EEC of government came to an end in London today. A hint of resort to more protectionist policies brought another sour note to the EC, but Mr Callaghan radiated optimism and predicted that Britain was about to enter a period of high rate of economic growth.

EC talks conclude on a sour note

Mr Callaghan said that the summit meeting of the European Council had concluded yesterday on a distinctly sour note. Britain came under attack for its decision to impose a unilateral ban on North Sea fishing, which was seen as a hardening of attitudes towards the EEC, and a hint of more protectionist policies.

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Callaghan forecast of new economic era

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Carter cancels B1 bomber production

President Carter has decided to cancel the B1 bomber. He told a press conference this morning that development of other strategic weapons, notably the Trident submarine and missile and the Cruise missile, meant that a manned strategic bomber was no longer needed.

The decision will be a blow to the United States Air Force, which is fully committed to the proposition that manned bombers are an essential part of the strategic force.

The decision is also bad news to the USAF's supporters in Congress, not to mention Rockwell International, the California company which is building the bomber. The President said that he expected Congress to support him—but there will certainly be an attempt there to force him to change his mind.

The B1 is a supersonic swing-wing bomber with a range sufficient to fly intercontinental missions and to return. Its speed and capacity are secret, but they are believed to be very great.

President Ford supported a B1 development programme but he was unable to commit the Government to buying the full fleet of 244 aircraft which the Air Force wanted. They would have cost over \$100m (about £50m) each.

Mr Carter approved the building of five of them, and has now decided to end the programme.

Those five bombers will not now be built. There are three B1s, research and development pre-production models, in existence and a fourth is said by Rockwell to be 40 per cent completed.



Photograph by Brian Harris
Quiet thoughts at Henley yesterday, untroubled by male dominance (report, page 13).

Court of inquiry into the Grunwick dispute is set up, but the atmosphere at plant remains tense

By Hugh Noyes
Parliamentary Correspondent
Westminster

A court of inquiry into the chairmanship of Lord Justice Scarman to investigate the dispute at the Grunwick film processing laboratories in north London was appointed yesterday by Mr Booth, Secretary of State for Employment.

The two other members of the inquiry will be Mr J. P. Lowry, British Leyland's director of personnel, and Mr Terence Parry, general secretary of the Fire Brigades Union.

Mr Booth made clear in the Commons, as he announced the inquiry, that the Cabinet was worried about the damage that might be done to industrial relations nationally if the dispute was allowed to widen.

The decision to set up an inquiry had not been taken lightly, he added. It was only the third such court to be convened since 1972.

He had hoped to settle the dispute by mediation, but despite long discussions with

Mr George Ward, Grunwick's managing director, he had been unable to persuade him and his advisers to agree in advance to abide by a mediator's recommendations.

Later, when Mr Booth was urged to say what would happen if Mr Ward ignored the inquiry's recommendations, he said that for people to refuse to cooperate with bodies established under the law showed contempt for the law. The rule of law was to be respected as much when it depended on consent as when it was supported by sanctions.

He also told MPs that the Post Office had decided to take no further action against postmen today, to allow all concerned to consider the implications of the inquiry.

Mr Ward does not seem to have said that he will necessarily accept the recommendations of the court of inquiry and the strike organisers have said nothing about ending the mass picketing.

Indeed, the Secretary of State agreed at one point that there was no legal obligation on Mr Ward to accept anything, and Mr Jobling, Conservative MP for Barnet and Hendon,

North, who has been advising Mr Ward, said it would be difficult for the company to cooperate with the inquiry if it was under undue duress.

As to accepting the findings, Mr Ward said only that the Grunwick management would carefully consider any recommendations made by the court.

Last night Mr Ward said: "We would have preferred the matter to be resolved in the High Court. So long as the findings in the court of inquiry are not compulsory on the parties we will cooperate."

When the emergency debate on the dispute opened, Mr Silkin, QC, the Attorney General, told MPs that any suggestion that now was the right time to consider the prosecution of the postmen banning Grunwick's mail would be totally wrong and counter-productive.

Action against sorters deferred

By a Staff Reporter

The Post Office last night deferred until Monday its threatened suspension of 148 sorting workers at Cricklewood, north-west London, despite their continued refusal to handle mail for Grunwick. It said its decision was made in the light of the proposals of the Secretary of State for Employment to set up a court of inquiry.

Later it said that its policy over the blacking of Grunwick mail at Cricklewood was unchanged. If normal working was resumed by 12.30 p.m. on Monday, the instruction to staff to handle the mail would be "reactivated".

Only 250 people were posted outside the Grunwick works in Willesden yesterday morning. Mr Jack Dromey, the picket organiser, rejected a suggestion that the union demonstration was losing its momentum.

Mr Dromey, aged 28, of Plympton Road, Kilburn, later appeared at Acton Magistrates' Court, charged with using insulting words and behaviour and assault on police. He was remanded on bail of £25.

The first edition of *The Sun* went to press last night without its leading article after members of the National Graphical Association had objected to the wording, a representative of the paper said. The leader, headed "Now call off the mob", was about the Grunwick dispute.

Jurisdiction denied, page 2

Beaverbrook accepts £14m bid from Trafalgar House

By Richard Allen

A £13.7m cash bid for Beaverbrook Newspapers from Trafalgar House was last night agreed unanimously by the Beaverbrook board.

The offer, which has also been accepted by the trustees of the Beaverbrook Foundation, who control four-fifths of the voting shares, will, if successful, result in Mr Victor Matthews, Trafalgar's managing director, becoming chairman and chief executive of the newspaper group.

It is understood that Trafalgar has given undertakings to maintain Beaverbrook's three titles, the *Daily Express*, *Sunday Express* and *Evening Standard*. Mr Matthews said immediately after the deal had been clinched that he hoped Beaverbrook's existing top management would stay with him. Existing agreements with the unions would be honoured.

It is understood that under the agreement Sir Max Aitken, the present chairman, will become life president.

Despite the agreement of the Beaverbrook camp, Trafalgar's offer still faces a significant hurdle.

The Takeover Panel will have to give a ruling on whether it considers the offer to be in the interests of the shareholders.

Speaking from the South of France, he said he was prepared to take the matter to litigation if he disagreed with the ruling of the panel.

Trafalgar announced that subject to the panel's ruling it had purchased 82.5 per cent of the voting capital from the trustees and 12 per cent of the "A" shares.

Mr Matthews said: "We will keep Beaverbrook newspapers alive and all three newspapers will stay alive."

"We are a commercial organization and I am here to make profits, but I am also here to keep going a very important newspaper group."

Here is a newspaper losing £2m when it should be making £10m. Hopefully, we will be on our way to making real profits within three years.

"By and large the editors will have complete freedom as long as they agree with the policy I have laid down. This was: 'Believe in Britain and look for the good things', Mr Matthews said.



Mr Victor Matthews: "We will keep all three newspapers alive."

Government approves pit productivity deal

By Paul Routledge
Labour Editor

The Government has decided to let through a productivity deal for the miners that could mean rises of up to £20 a week for the autumn for face-workers.

Negotiations between the National Coal Board and the National Union of Mineworkers on an incentive scheme that will link wages to output are at an advanced stage, and Mr Healey, Chancellor of the Exchequer, has told industrialists privately that the agreement will have to be permitted if the social contract is to survive.

The Chancellor's after-dinner confession, to managers on the issue confirms the TUC's determination to provide for a limited return to free collective bargaining from August 1, giving priority to productivity deals and improvements in occupational pensions, which is regarded as "nodding through" a scheme for early retirement.

The pit productivity scheme being discussed by the miners and the Board would give incentive payments to face-

workers and men developing new seams when they achieve more than three quarters of a performance standard set by jointly agreed work study. Workers elsewhere underground and on the surface would receive a lower proportion of the incentive money. Whether that will be based on a pit or area calculation has not yet been settled.

The rudiments of the scheme are similar to the proposed agreement rejected in a 63-37 per cent vote in a pithead ballot in 1974, and to the extent that they have not changed the proposals will once again be opposed by left-wing coalfield leaders.

The NUM national executive will discuss the proposals on productivity bargaining at a meeting for next week's picketing conference of the union at Tynesmouth. Moderate coalfields such as the North-west and south Derbyshire are suggesting local productivity bonuses, but the traditionally militant South Wales area has submitted a counter-motion insisting that the determinants of productivity lie in the efficiency of management and pitmen's wages and conditions.

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men jailed London bing plot

Five IRA men were jailed today by Criminal Court for conspiracy to cause explosions in London. Mr Justice Croom-Johnson sentenced them to life terms. One of them, Adrian Don-Brixton, London, to life term, with the recommendation should serve at least 30 years. As well as being found guilty of conspiracy, Mr Don-Brixton was also found guilty of murder.

ld acquittals

A property company were a jury at Chelmsford Crown Court, of conspiring to defraud Holford Farm deal. Mr Leigh, 41, it seemed to him that proper professional had brought trouble on the in the circumstances it was at public funds should be Page 4

ing in Lebanon

erling civil war in Lebanon is fierce clashes and it was a major battle would develop h. The fighting took place in the Golan Heights, where Israeli forces have been resting the leftists and Page 8

Borg and Connors meet in final

Bjorn Borg, of Sweden, and Jimmy Connors, of the United States, will contest the final of the men's singles at Wimbledon on Saturday. Borg won a superb match yesterday against the American, Vitas Gerulaitis, 6-4, 3-6, 6-3, 3-6, 8-6 and Connors beat out the 18-year-old qualifier, John McEnroe, in four sets also of the United States. Page 12

AD 2000 prospects

Warnings of atomic war and the exhaustion of natural resources were made at a discussion organized by Unesco on "Challenge of the Year 2000". Speakers said the jungle was vanishing and the seas becoming the dustbin of mankind. The answer lay in the rational use of human and material resources. Page 9

Petrol price code

From August 12 garages will be compelled by law to display petrol prices more clearly. They can show the lowest net prices for at least two grades, one of which must be four-star, and the higher price and the amount of reduction being offered. Page 6

Air price war fear

The Civil Aviation Authority is to lift controls on minimum fares for North Atlantic charter flights from next spring. A price war is expected. Page 5

Japan takes harder line on sanctions

Japan is introducing new regulations to prevent Rhodesia selling its chrome ore, by way of South Africa, to circumvent United Nations sanctions. The move has been brought about by the Carter Administration which has insisted on making sure that steel imports into the United States from Japan do not contain chrome from Rhodesia. Page 9

Aid for Mozambique

The United Nations Security Council has appealed unanimously to all states to give aid to Mozambique to strengthen its defences after repeated attacks from Rhodesia. Several Western members said the aid should be economic assistance to maintain development projects affected by diversion of funds to defence.

Substitute tobacco: The leading tobacco companies are racing this morning to be first in the shops with their new cigarettes containing substitute tobacco. Page 2

Agricultural Property: Three-page Special Report on land legislation, planning pressures, and investment potential.

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HOME NEWS

Priests whose parish is wherever the British Army is sent

From Christopher Walker
Belfast

After nearly eight years in the midst of Northern Ireland's terrorist war, the small, and little publicized Royal Army Chaplains' Department suffered its first casualty on Wednesday, when the Rev David Hewitt was hit three times by bullets from an Armalite rifle during an ambush in which two soldiers were killed.

Mr Hewitt, who was still seriously ill in hospital last night, was one of only 15 Church of England chaplains at present serving with the Army in Ulster. Like his Anglican colleagues, and the four Roman Catholic priests also serving with troops in the province, he goes about unarmed.

Among the troops the chaplains are always referred to as 'padres', an historical nickname first acquired during the Peninsular War.

Some, like Mr Hewitt, fly over for a four months' tour of duty; others are based with the permanent garrisons stationed in the province. All work in civilian clothes and clerical collar, and share the risks of urban guerrilla warfare with the soldiers on the ground.

Explaining their role yesterday, the Rev Clifford Browne, Assistant Chaplain General, said: "We see ourselves as

performing the same tasks as an ordinary vicar or priest, except that our parish just happens to be wherever the Army is sent."

Wednesday's ambush has focused attention on the difficult and often dangerous task the chaplains perform in Ulster. Colonel's comment: Lieutenant-Colonel John Hemsley, commanding officer of the 3rd Battalion, The Light Infantry Regiment, who was wounded in the arm in the ambush said yesterday: "It is not unusual for a CO to travel in the back of the truck, and, anyway, it gave me a chance to talk to some of my men who had just arrived and were not familiar with the area (the Press Association reports). My soldiers acted as if they were on exercise, cool and calm."

The Archbishop of Canterbury, Dr Coggan, has sent a telegram to Mr Hewitt expressing his distress at the news and sending prayers and good wishes for a speedy recovery.

Londonderry scheme: A government scheme costing more than £5m for the restoration of the devastated city centre of Londonderry was announced yesterday.

Man detained: Belfast police have detained a man in connection with the attempted murder of a prison officer at his home in the city on Tuesday.

Applicants to teaching college 'least qualified'

By Our Education
Correspondent

The qualifications of pupils hoping to train as teachers in colleges of education are much lower than those hoping to go to university, and lower even than those going to any other colleges of further education, a report published today shows.

In a survey of nearly two thousand sixth-formers, only 3 per cent of boys and 6 per cent of girls wanting to go to colleges of education had three A levels with grades A, B and C or higher. More than three-quarters of those wanting to go to Oxford or Cambridge universities had those qualifications.

The survey is contained in a report of a study of the attitude of pupils to school, work and higher education by Mr Alan Gordon and Mr Gareth Williams, of Lancaster University.

"Oxbridge" aspirants were by far the best qualified. Those wishing to go to the old civic universities, such as Manchester and Leeds, came next. About two fifths achieved a score of 11 or higher on the Universities Central Council on Admissions scoring system, where an A-level A grade equals five; B, four; C, three; D, two and E, one.

March while checking plates taken for the sky survey. Professor Vincent Reddish, Astronomer Royal for Scotland, said the telescope in Australia could see farther than any other survey telescope. "We have already enough photographs to decide whether the universe is flat or round," he added.

"It is now a technical question of working out details, calculations, and counting the numbers. It is going to take a year, or two but we know we can do it."

Aid withdrawn from pensioners' heating scheme

By Pat Healy,
Social Services Correspondent

A widely acclaimed scheme that pioneered special help for pensioners to pay their heating bills is in danger of collapse because of the Supplementary Benefits Commission's proposal to withdraw its support.

Whether the scheme survives or not, more than 14,000 pensioners in Birmingham will receive less than their full increase in November. When the single pension is due to go up by £2.20 a week and the married couple pension by £3.50.

Mr Orme, Minister for Social Security, has written a three-page letter to all Birmingham MPs explaining the reasons for the decision. He has invited the MPs to a joint meeting with Professor David Donnison, chairman of the commission, to discuss the change.

The change affects the heating and rent payment scheme, known as Harp, introduced by Birmingham council in 1973. It

allowed corporation tenants who were pensioners to pay a fixed amount towards their heating costs with their rent, and the commission paid them additional supplements to support the scheme.

The cost of fuel bills for the participating pensioners was paid by the corporation, which in the main used contributions paid by the tenants themselves. But on one occasion the scheme faced a deficit and the corporation used funds from a loan to meet costs.

The district auditor has since ruled that using an amenity rate in that way is outside the authority of the corporation, which precludes any further financial help from it.

Since then many pensioners not receiving supplementary benefits and therefore not eligible for extra heating allowances have left the scheme. But those still in it have used much more fuel than expected, the price of energy has shot up and the commission has been paying far higher heating supple-

ments to the pensioners involved than to any others.

An example quoted in Mr Orme's letter is that a single person living in a one-bedroom centrally heated flat who joined Harp in 1975 would be getting a heating supplement of £2.22 a week, three times the amount he would normally get. He says the commission has decided therefore to withdraw its special support for the scheme in two phases.

When pensions are increased in November the special Harp supplements will be reduced by a maximum of £1 a week for single people and £1.50 for married couples, leaving the 14,000 pensioners in the scheme with less than the full increase other retired people will receive.

Mr Orme's letter states: "The effect will be that the increase in total benefit will be less than the full amount of the uprating increase in the scale rates. However, the commission considers that the impact of withdrawal will be

less for pensioners at the time of an uprating than if the Harp pensions were to be withdrawn at some other time in the year."

A letter will be sent to the pensioners affected when their revised pension books are sent out, to explain the changes in benefit. But some of the Birmingham MPs believe it would be fairer to raise heating additional payments for all pensioners, rather than reduce the amount paid to the privileged few.

Birmingham council said yesterday that the administrative arrangements of the Harp scheme would continue, but its survival depended on pensioners' willingness to use it.

Mr Jeffrey Rooker, Labour MP for Birmingham Perry Barr, and secretary of the Birmingham Labour MPs group, last night tabled emergency questions asking Mr Orme who had been consulted about the decision, and the cost to his department of supporting the scheme. He predicted a hard time for pensioners affected.

Judgment is reserved in post boycott

By Tim Jones
and Peter Godfrey

Supporters of the Grunwick management have often said that the justice of the management's case was substantiated by the failure of 59 former employees of the company to win their claim for unfair dismissal before the London North Industrial Tribunal.

In fact, the court, which sat on March 23, decided that a schedule to the Trade Union and Labour Relations Act, 1974, as amended by the Employment Act, 1975, deprived it of jurisdiction in the issue, so it could give no judgment.

When the hearing began, counsel for the company said it would not contend that the applicants had not been dismissed. Thus the only matter to be discussed by the tribunal was whether the company had acted consistently in dismissing all the striking workers.

The schedule in question (paragraph 7) states that when the applicants were fair or unfair workers are dismissed for going on strike an industrial tribunal cannot determine whether the

Grunwick court declined to judge

By Tim Jones
and Peter Godfrey

dismissal was fair or unfair unless it is shown that one or more relevant employees of the same employer had not been dismissed for striking. In other words, under the 1974 Act an employer is entitled to dismiss workers for striking, provided he dismisses them all.

The former employees accepted that at the date of their dismissal they were all on strike, but alleged that Mr Jam. Solanki, another employee, also took part and was not dismissed. The company agreed it had intended to dismiss him but denied that he had taken part in the strike. The tribunal decided that the former employees had failed to prove his participation.

In his judgment, Mr C. H. A. Lester, the tribunal's president, said: "We find that it has not been shown that any relevant employee has not been dismissed. It follows that paragraph 7 of the schedule operates to deprive us of jurisdiction to determine whether the dismissal of the applicants was fair or unfair."

In his High Court action next week the company will seek to have the recommendation of the Advisory Conciliation and Arbitration Service (Acas), that the company should recognize the union, declared ultra vires and void.

Grunwick's counsel are also expected to argue that the strikers' views had been canvassed by Acas, were not workers as specified in the Employment Protection Act.

The Association of Professional, Executive, Clerical and Computer Staff, to which the dismissed employees belong, intends to contest any such submissions.

A picture of working conditions at the Grunwick factory shortly after the dispute began—in the form of minutes, obtained yesterday, of a joint works committee meeting said: "We find that it has not been shown that any relevant employee has not been dismissed. It follows that paragraph 7 of the schedule operates to deprive us of jurisdiction to determine whether the dismissal of the applicants was fair or unfair."

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Second reading of Europe Poll Bill before recess

By George Clark,
Political Correspondent

Before the summer recess the House of Commons is likely to be able to vote on the second reading of the Bill authorizing direct elections to the European Parliament and also on the voting system to be used.

There is likely to be a majority for the second reading because the Conservatives will vote with pro-European Labour MPs, although they dislike the Bill's structure. But there might be a majority in favour of "first past the post" voting system, which is used for Westminster elections.

That would lead to accusations from Mr. Steel that Mr. Callaghan is unable to "deliver" on one of the Liberals' main demands as a condition for continuing the "Lib-Lab" pact.

The Labour Party, based on last year's annual conference decision, is opposed to direct

elections. Cabinet ministers, like the rest of the Parliamentary Labour Party, have been given a free vote on the second reading.

Last night, at a meeting of the Parliamentary Labour Party, in reply to Mr. Michael English, MP for Nottingham, West, and an authority on parliamentary procedure, Mr. Rees, the Home Secretary, who is in charge of the Bill, said the House would proceed to the committee stage before the summer recess.

It is now proposed that when the committee stage begins the Opposition will move the amendment of clause 1 to provide that "representatives to the Assembly of the European Communities shall be elected in accordance with schedule 1 of this Act".

That would effectively bring in the "first past the post" system. Section 3 (2), referring to the proportional representation (regional list) system, would be dropped.

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Air race to introduce new smokin substance

By Patricia Tisdall

Helicopters, lorries, other vehicles set off at night in a race to bring the cigarettes containing substances to the shops today three leading companies agreed to release such substances from their warehouses. Each company determined not to lose any in what is expected to be a heavy initial demand.

Gallagher, the smallest manufacturer, is using helicopter deliveries of Silk cigarettes incorporating bacco substitute. The firm's flights, each carrying 200,000 cigarettes, was taken off from Northolt airfield near London, at 5 am today.

Special delivery arrangements are also being made by John Player & Sons and H. O. Wills, the two main tobacco companies, in the country.

The manufacturers report unusually high level of demand from tobacconists for brands which have extensively advertised.

Permission for cigarettes containing the substances Cyrel and tobacco was given by the Home Secretary, Mr. Callaghan, in the House of Commons yesterday.

All but one of the brands sale today contain a one per cent substitute to three per cent tobacco. The exception, Cut Ultra Mild, contains five per cent substitute.

The retail prices of the cigarettes are roughly the same as their all-tobacco counterparts.

Introducing the Silk Cigarettes with tobacco substitute Stuart Cameron, managing director of Gallagher, said yesterday that the stronger mixture about a fifth less tar. "But tobacco was not a ingredient" to give smoking, a point that was made by Ash (Action on Smoking and Health), the anti-smoking organization. It spoke yesterday of the grave danger that the public may be misled into believing cigarettes containing substitute materials are safe. They are not."

Many experts believe only a mixture containing at least a half of substitute material could make all-tobacco cigarettes really safer. In the however, smokers have found such high substitutions lack flavour.

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Galaxies point to shape of the universe

Astronomers at the Royal Observatory, Blackford Hill, Edinburgh, have discovered new galaxies that may make it possible to calculate the shape of the universe, it was announced yesterday.

The discoveries were made with the help of a giant telescope camera on a remote Australian mountain top. Photographs taken there might establish within the next few years whether space is "flat" or "round".

The photographs were taken at the Warrumbungle mountain range in New South Wales, a national facility for British astronomers funded by the Science Research Council. They form part of a systematic survey of the southern skies and are being used for the first volume of a "space atlas" to be published this week.

Dr Russell Cannon, who is leading the project in Edinburgh, said yesterday that a new dwarf galaxy had also been discovered, the first for 20 years. He discovered the so-called "Carina dwarf" in

March while checking plates taken for the sky survey. Professor Vincent Reddish, Astronomer Royal for Scotland, said the telescope in Australia could see farther than any other survey telescope. "We have already enough photographs to decide whether the universe is flat or round," he added.

"It is now a technical question of working out details, calculations, and counting the numbers. It is going to take a year, or two but we know we can do it."

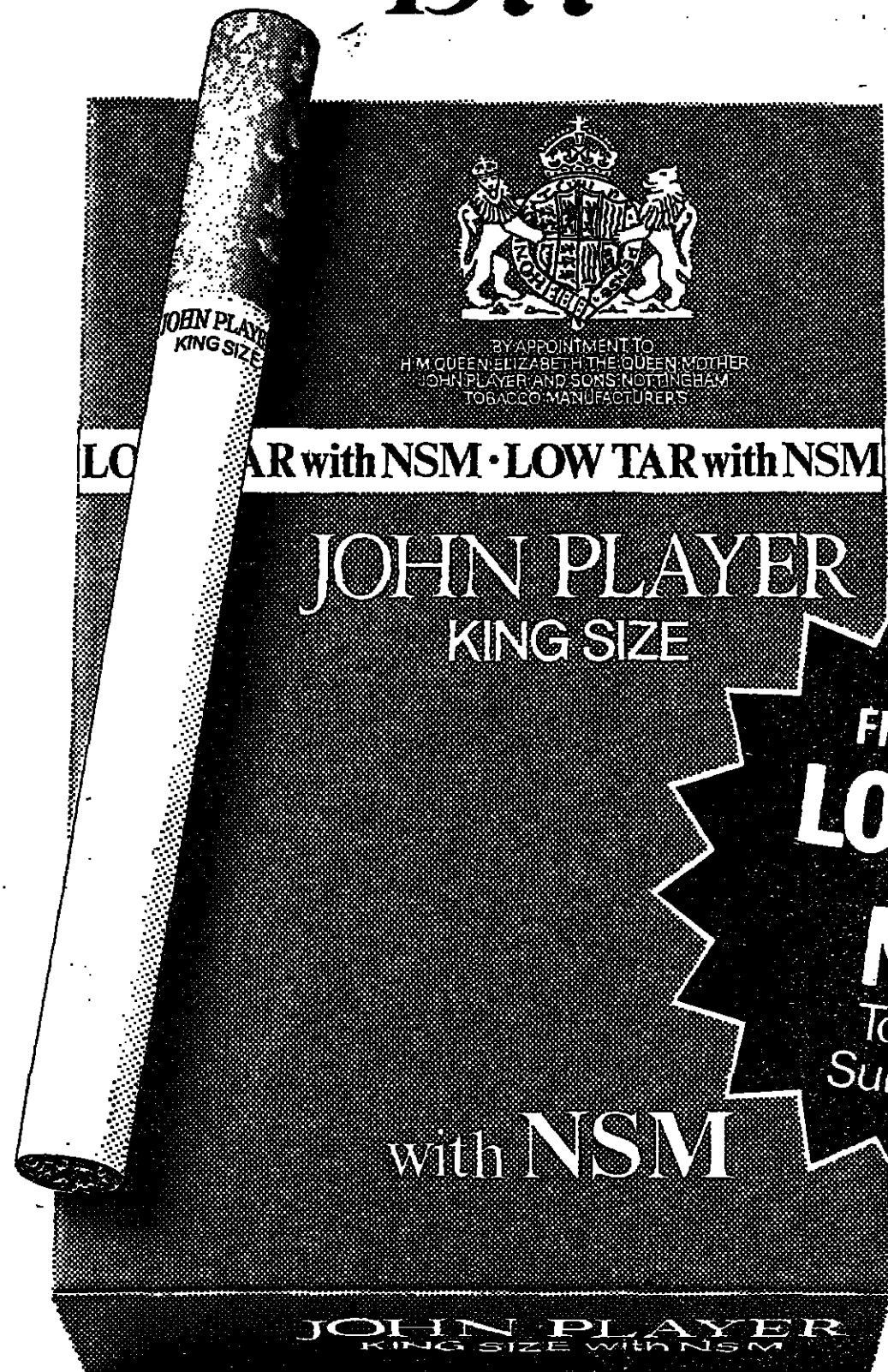
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1960 HMS Dreadnought



1963 Methane Princess



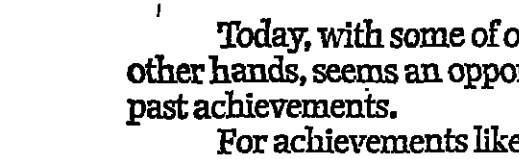
1965 British Admiral



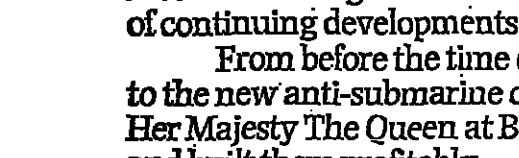
1966 HMS Resolution



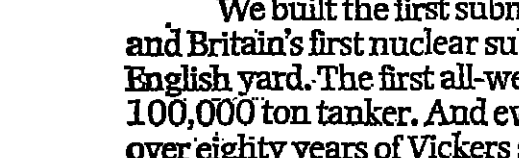
1977 HMS Invincible



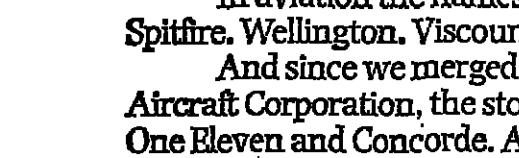
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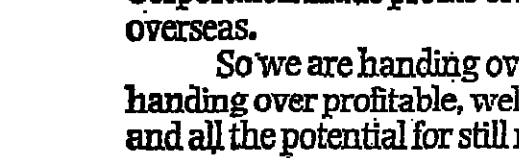
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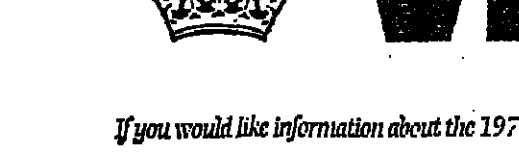
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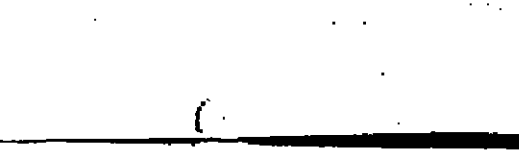
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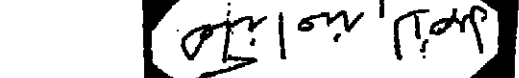
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HOME NEWS

18th-century cabinets on new legs for £10,500

By Geraldine Norman
Leeds Room Correspondent

A pair of late-George III mahogany cabinets, each inset with 42 glass panels painted with views of Italy, were the star pieces of Christie's furniture sale yesterday, selling for 10,500 (estimate 8,000 to 12,000).

They provide a fascinating example of how pieces of furniture change over the years. For the cabinets had been to France before they were sold from the Spencer-Churchill family home, Northwick Park, 1964, when Christie's got 77.50 for them.

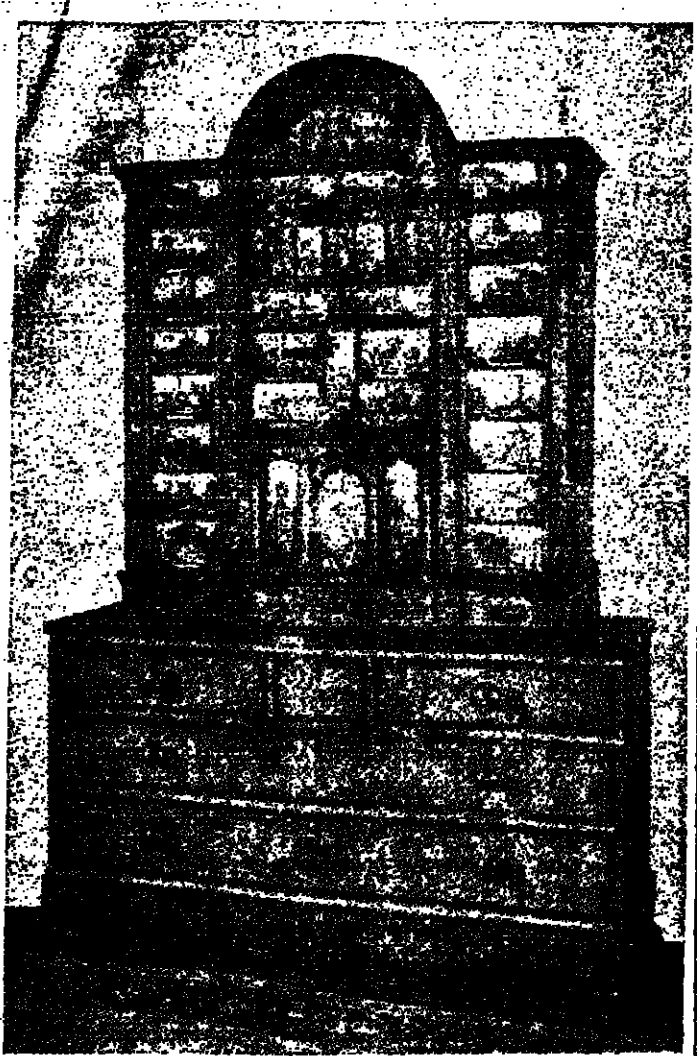
Each was then mounted on oak chests of drawers, but now they stand on square tapering legs with block feet. It is not clear when the change was made. The new legs are well made and any dealer with a good restorer could have had it done.

To my eye, the new arrangement is more satisfactory. The traction of the cabinets lies the Italian views, which have been used to create a most handsome memento of the grand tour.

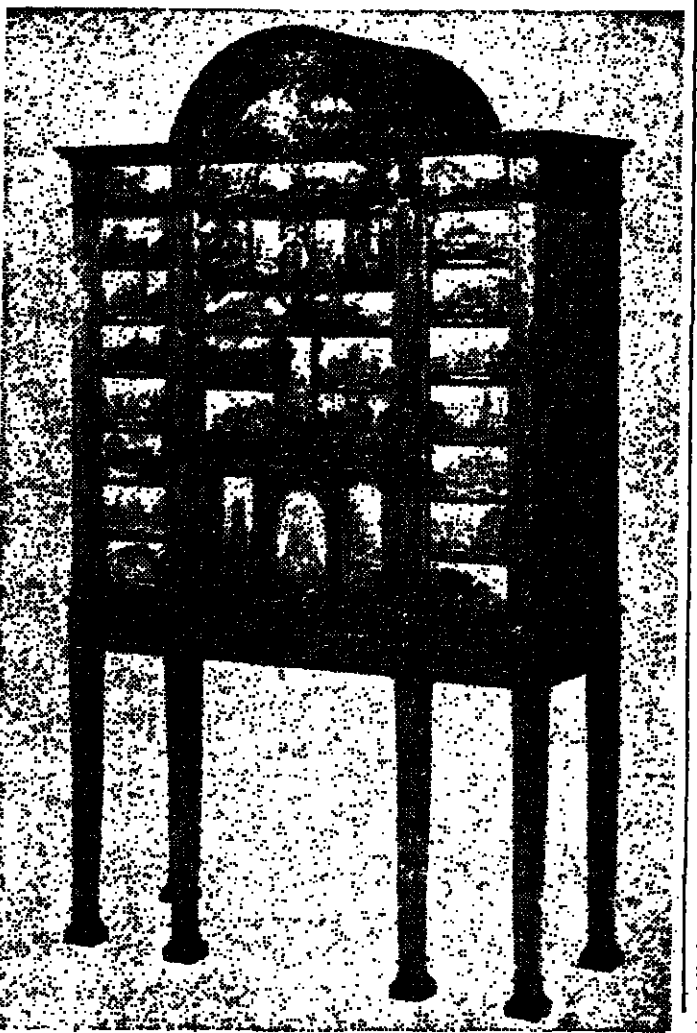
The sale of English furniture was strong bidding, totalling 10,480, with 11 per cent sold. Mallett paid £9,000 for a pair of George III mahogany chairs. A pair of mid-18th-century mahogany side chairs made £8,300 (estimate 6,000 to £4,000). A carpet, which followed, made £3,800, with 27 per cent unsold. Christie's also held a sale of modern prints, totalling 76,233, with 22 per cent sold; the main difficulty was with a group of German expressionist works consigned in very high reserves.

Picasso prints were proving such a seller to sell with a four-hour run of 1958, "Buste Femme d'après Cézanne" at 2,000 (estimate £18,000 to 5,000) and another "Buste of 62, "Nature morte sous la lampe" at £14,000 (estimate 6,000 to £12,000). The latter was bought by Sotheby's and upon who also acquired many of the less important works.

At Christie's South Kensington a sale of photographs brought two new auction records. The £2,500 (estimate 500 to £2,000) for John Jargret Cameron's portrait of Sir John Herschel was record for the photographer. "Seascope" photographed Gustave le Gray in 1856 made £3,400, an auction record for a French photograph. The £2,472 for a painting of a group of contemporary paintings made 63,890, with 58 per cent sold. A Japanese buyer paid new auction record price for a painting of 1963 titled "Vegetables".



One of a pair of cabinets, top, as it appeared in the sale room in 1964, and, below, as it appeared yesterday.



Stonehouse appeal on five charges rejected

An appeal by John Stonehouse, the former MP, against five of the 14 charges for which he is now serving a seven-year prison sentence, was dismissed to the House of Lords yesterday.

The five charges related to attempts to obtain for his wife, Barbara, a total of £125,000 from five insurance companies by deception, his false drowning in the sea off Miami, United States, in November, 1974.

The House rejected his contention that those offences were not triable in England because the deception occurred abroad. Lord Diplock and Lord Dilhorne also rejected Mr Stonehouse's contention that Mr Justice Eveleigh, the trial judge, had been wrong to direct the jury that the false drowning was close enough to the full offence of obtaining the insurance money by deception to constitute an attempt to commit the offence.

Lord Edmund Davies and Lord Keith thought the question should have been left to the jury, but they held that the judge's failure to do so had not resulted in any substantial miscarriage of justice to Mr Stonehouse and that his convictions should therefore stand.

Even if Mr Stonehouse's appeal had succeeded it would not have affected his prison sentence or his criminal bankruptcy order, because of other convictions against which he did not appeal.

Lord Diplock and Lord Salmon said Mrs Stonehouse had not been a party to her husband's plan.

Head teachers' organizations to amalgamate

Two of Britain's head teachers' organizations are to merge to form the Secondary Heads Association. A joint statement yesterday said the 2,000 members of the Incorporated Association of Headmasters, formed in 1890, and the 800 members of the Association of Headmistresses, founded in 1974, have voted for amalgamation.

The new organization will come into being on January 1. Its first president will be Miss Mothie Black, Headmistress of Manchester High School for Girls, and the general secretary will be Mr John Dorrell, general secretary of the headmasters' association.

Police chief retires

Mr Frederick Drayton Porter, Britain's longest serving policeman, yesterday completed his last day as Chief Constable of Cambridgeshire. He is retiring at the age of 65.

Council makes workers on strike eligible for rebates

Pen District Council, at Port Pen, South Wales, has decided to make workers who strike eligible for rate rebates.

The decision was taken after 10-week strike by electricity workers closed the Port Tealsteelworks, laying off seven hundred men and costing the Welsh Steel Corporation an estimated £60m.

The rebates will be back-dated to the beginning of the strike for workers and men off who have already paid. Those who received security payments will qualify for council rebates.

Cyril Jenkins, chairman of the council's finance committee, said: "We shall follow rebates scale laid down by the Government. We read seven hundred applications for rebates from both men and women laid off, and decided that a firm policy had to be drawn up. We are not subsidizing industrial action; just trying to alleviate hardship."

"We are not concerned whether a dispute is unofficial or official. We will pay the money if a tenant's or a ratepayer's family is suffering genuine hardship." He did not know how much the rebates would cost the council, or how many people would qualify.

The Welsh Office explained that the maximum rent rebate allowed for a council tenant was £6.50 a week.

Mr Ian Kelsall, Welsh Secretary of the Confederation of British Industry, commented: "I am staggered that a council could take such a decision. We already do more to support strikers than any other country, but this is going to extremes. It is an open invitation to workers to take unofficial action since they will have nothing to lose. It is potentially a recipe for industrial anarchy in this country."

Price controls on Atlantic air charters to be dropped

By Arthur Reed
Air Correspondent

There may be a price war in charter flight fares next year after a decision by the Civil Aviation Authority yesterday not to fix minimum prices for such services across the North Atlantic from April 1.

Some aviation industry leaders last night thought that the cost of advance booking charter (ABC) flights, for which two months' advance notice must be given, will rise next summer, but that at other periods of the year they may fall.

Regulations setting minimum prices will continue to be applied until April, but after that date airlines and tour operators will be able to charge what they like. A price war is likely to break out with the aviation authority watching closely to make sure that no airline puts its prices so low that its operating standards and financial future are threatened.

The CAA introduced minimum prices on North Atlantic ABC flights from April last year, "because it seemed appropriate at the time to introduce a measure of protection for United Kingdom air carriers." It was, in fact, worried about the many sea on American airlines flooding the market.

But at that time the CAA made it clear that it would retain price control only so long as it seemed necessary. It now considers that the sterling exchange rate has made British airlines more competitive, while making the American airlines' policy uneconomic.

British airlines' share of the North Atlantic charter market rose from 41 per cent in 1975 to 45 per cent last year.

Questions on Windscale storage ponds

Peace Wright, Editor, *the Independent*

£600m nuclear plant for Windscale, Cumbria, to reprocess waste fuel atomic power stations in Britain and elsewhere extract up to 10 times more active waste, and five more plutonium from some of material handled the present plant, which recycles fuel from the first generation of Magnox reactors by the electricity generating boards.

Between thirty and forty more of the transuranic elements created in a nuclear reactor, such as neptunium and plutonium, will also be removed from the waste of highly radioactive material.

Information was among the evidence presented day to the public inquiry into the Windscale expansion plan by Mr B. F. Warner, deputy head of research development, Windscale, as the tribunal began the most technical part of its examination of engineering aspects. Mr Warner explained that the job of decontaminating the oxide fuel in the new plant was ten times as difficult as for the present Magnox process.

However, he maintained that enough experience had been gathered to ensure a safe operation, even allowing for the fact that important development work was proposed to improve understanding.

Mr Warner insisted that the scheme for a thermal oxide reprocessing plant (known as Thorp) was based on principles that were well understood. However, there were changes in technology in the new process, which were indicated when clarification of part of the evidence was sought by Sir Frederick Warner, FRS, one of the two technical assessors to the inquiry.

He focused attention on the phenomenon of radiolysis of water in the storage ponds where fuel elements are kept on receipt at Windscale. Radiation from elements in storage, where they may be kept from one to four years, breaks down water to yield hydrogen.

Evidence from British Nuclear Fuels for the scheme states: "No hazard would arise from the radiolytic hydrogen released in this manner."

Mr Warner explained in more detail how hydrogen in the atmosphere above the storage pond would be diluted by air to produce a mixture below explosive limits.

Council to care for girl with suicide impulse

A mother yesterday had her daughter, who had a compulsion to kill herself, with her at home, or at least at a hospital within reach. Judge Best, at Exeter Crown Court, ruled that the daughter, aged 20, who remained nameless, should be put in the care of Devon County Council.

He said her compulsion for swallowing objects had put her in hospital "on a really frightening number of occasions" since 1970. There was no known cure and she would become so weakened by attempts to kill herself that she would die fairly soon.

The case was heard in chambers but the decision given in open court. Judge Best granted the council's application on the ground that the woman had to be watched every moment and other patients at Dibley Mental Hospital, near Exeter, where she has been since earlier this year, would suffer.

Unions combine to stop school meals rise

Labour Reporter

Unions with a combined strength of more than three million workers launched a campaign yesterday to stop the Government increasing school meals by 10p a day in September. A national petition is for a million signatures the summer holidays.

Alan Fisher, whose National Union of Public Employees (Nuppe) is the biggest among the 250,000 school staff, said: "If the Government goes ahead with this self-created increase in prices, that and the consequent unemployment, it will make it extremely difficult to get any kind of new agreement on pay policy."

The 10 unions heading the campaign make up the National Steering Committee Against Public Spending Cuts. The biggest, the white-collar National and Local Government Officers' Association (Nalgo), called the proposed increase a "body blow."

Mr William Rankin, deputy general secretary, said: "We expect a substantial fall in the take-up of school meals and we believe there will be cuts in staff as a result."

The campaign has the support of the Child Poverty Action Group, whose director, Mr Frank Field, said: "This is the first time since the war that organizations of importance have stood up and asked for the attack on the family to cease. The big losers in society in recent years have been children, whether from rich or poor families."



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HOME NEWS

'Kangaroo courts' gibe at official hearings after prison rioting

From Peter Evans
Home Affairs Correspondent
Canterbury

If prisoners regard hearings by boards of visitors after riots as "kangaroo courts" they can hardly be blamed. Professor Terence Morris, Professor of Sociology at London University, said yesterday at the bicentennial conference, at Canterbury, of the Howard League for Penal Reform.

Prisoners were vulnerable to the collusion of witnesses against them, he said. They had no right to counsel. Their right to call witnesses in the defence was limited both by the board's discretion and by the fact that defence witnesses might think themselves vulnerable to reprisals.

"The identification of boards, or more commonly the chairman of boards, with the prison authorities in times of trouble stimulates to confidence in their objectivity," Professor Morris said. He described the way the parole system works as an affront to natural justice. The intervention of the executive to override a judicial act ought, in any but a totalitarian society, to be both rare and limited to the most special circumstances.

Although executive acts could rectify judicial error, executive justice was among the best loved weapons of tyrants. He continued: "The political

climate is more volatile than many believe, and it seems to me a brave man who can absolutely guarantee that a penal system embodying a substantial element of executive interference in the judicial process could not be manipulated to political advantage by a government of either extreme right or left."

Mr Louis Blom-Cooper, QC, chairman of the Howard League, said that local authorities should have a greater say in running prisons. He cited moves by the London Borough of Islington, which has Holloway and Pentonville prisons within its boundaries, as an indication of the wishes of some local authorities for greater involvement.

The Home Office could set up local committees in areas where there were penal institutions to perform some of the functions of prison administration. If the local authority had been able to inspect Hull prison, the scene of a riot, the build-up of tension there might have been mitigated.

The conference passed by a large majority a motion, proposed by Professor Benedict S. Alper, visiting Professor of Criminology at Boston College, United States, as a tribute to John Howard, that there should be a large number of alternatives to building and more alternatives to imprisonment.

Leading article, page 19

Garages to display new petrol price signs

By Peter Waymark
Motoring Correspondent

A new law compelling the clearer display of petrol prices at filling stations will come into effect on August 12. The aim is to ensure that the price of a gallon can be seen at a glance by the motorist from the road.

Signs that say "12p off" some unspecified price will be forbidden, and garages displaying the regulations face a maximum fine of £400. But Mr Fraser, Minister of State for Prices and Consumer Protection, said yesterday that he expected few breaches.

The resort to law is a result of the failure of a voluntary agreement made in September between the Office of Fair Trading, the garage trade and the main oil companies. The prices department found that only half the garages were complying.

Garages will be required to display the lowest net prices for at least two grades of petrol, one of which must be four-star. They will be free to show either the lowest price by itself, or with the higher price and the amount of reduction being offered.

They must also indicate on or near each petrol pump the highest price of every grade of petrol dispensed from that pump.

Woman in the news: In student terms the Communist is a moderate
Expelled tearaway to lead 640,000 unionists

By Diana Geddes
Education Correspondent

Miss Susan Shipman, aged 27, a member of the Communist Party of Great Britain, takes over today as the first woman president of the National Union of Students, which has 640,000 members. It is, as she admits, a far cry from her troubled youth, when she was "into purple hairs", playing truant, fighting with teachers and yet, despite all, holding her own at the top of the class.

In student politics, communists are moderate. Miss Shipman was elected president with the support of the Broad Left and the Conservative students, who wanted to keep out the extreme left. Ironically, notwithstanding her credentials as a former teenage tearaway, she is expected to prove one of the most moderate and realistic NUS leaders in recent years.

Born the youngest of three girls to second-generation Russian-Jewish parents, she was brought up in Batton, London. Her father, between spells of unemployment, owned a pie-and-meat shop, worked as a tawny, drove a taxi and ran a breakdown lorry business.

Her sisters left school at 14 and 15. One works as a secretary to a wine importing firm, the other "empties" fruit machines.

Miss Shipman was finally expelled from Southwell Manor School at the age of 15 after springing half the class away with her on a three-day "holiday". She was taken back, however, to do her A levels. After six months on a kibbutz in Israel, she attended St David's University College, Cambridge. Dyfed, a very small, totally naturalistic place with very little student activity, where she took a first class honours in English.

She did not become seriously involved in NUS affairs until she went to Leeds University in 1972 to study for an MPhil in English literature. There, student politics and her new interest in women's rights took up most of her time and she never completed her course. Instead, in 1974 she took a one-year teacher-training course at the Institute of Education, London University.

This year she was elected to the NUS executive as she says was the "token woman". By 1975, however, Miss Shipman had become the first female national secretary, with a salary of £3,000. Her salary as president will also be £3,000, with long hours and no perks.

Miss Shipman joined the Communist Party in 1969, feeling that it alone had the necessary strategic conception for socialism and genuine deep roots in



Miss Shipman: From "token woman" to president

the working class which none of the more popular leftwing parties had. Her politics would certainly affect approach to her new job, she said. She was convinced that mass involvement in democratic organizations was the only way to defeat the forces of the ultra-right, and of the ultra-left.

Miss Shipman is especially determined to keep under control the ultra-left groupings within the union, which, she says, are "corrupt, destruc-

tive, and based on a feeling of despair that nothing can be changed". She wants to broaden the union's sphere of interest so as to involve the large number of students who are more interested in getting on with their work than in student welfare matters or in ideological issues.

This year the structure of academic institutions will be made a major new campaign target, Miss Shipman said. Students wanted to have more say in the educational goals of universities and colleges and in the content of examinations and curricula. To that end the union would be pressing for greater student representation on all academic bodies, including local authority education committees.

The mass of students, she feels, are no longer in a fairly safe position where they do not really need to do more than "dabble with external realities". They were now confronted by crushing economic and employment problems. They were very concerned about their futures and angry that their talents and abilities might not be put to any significant use.

The idealism, Miss Shipman insists, is still there; but it is now to be directed in a more positive direction.

In brief

Methodists give ministers a rise

Methodist ministers receive a 30 per cent pay increase in September, if government pay policy permits. New scales approved at the Methodist Conference in Hove yesterday gave amounts the average £50 a week. The wide range of 31 years experience would get £53.

Ex-widder for trial

Leonard Barnside, a ruin prison officer of Acton, London, was committed for trial at the Central Criminal Court by Tottenham magistrates yesterday, charged with stealing more than £67,000 from Prison Officers' Association Fund between 1970 and 1971.

Bridge to be blown up

St Clair Bridge, between Dornham and East Griston stations, on the Surrey-Sussex border, which once linked farmland, will be demolished with explosives tomorrow. Train's vices between Oxford, Lingfield and East Griston will be suspended tomorrow, and Sunday.

The Irish Times

Mr Fergus Pyle, who has been editor of *The Irish Times* since July, 1974, has resigned on his appointment as editor-director. Mr Douglas Gifford, who was editor of the newspaper from 1963 to 1974, took up the post again. He is 58.

Wife held hostage

Leonard Tyler, aged 39, said to have held his wife hostage in a flat on the Rockingham Estate, Plumstead, London, for 31 hours, was placed on probation for a year by magistrates at Woolwich yesterday.

60 pupils boarding

Sixty girls boarding at St Dunstons School, Darley Dale, Derbyshire, were suspended yesterday, and sent home a week before the end of term after a games mistress had been thrown into a swimming pool.

Robbery plot charge

Stanley Robert Harris, aged 26, a builder, of Elliott Gardens, Romford, Essex, was remanded in custody until today at Liverpool Magistrates' Court yesterday, accused of conspiring with others to commit armed robberies in England and Scotland.

Phone service for old

Age Concern will launch today in London a 24-hour telephone service to help elderly people make contact with local organizations and reduce loneliness. The number is 01-649 9494.

Caxton Hall closure

Closure of Caxton Hall Register Office, the scene of many of London's society weddings, has been approved by Westminster City Council's general purposes committee to rationalize the registration service in the area.

Church unity talks 'have overlooked basic issue'

By Our Religious Affairs Correspondent

Talks between Roman Catholic and Anglican theologians to find a basis for church union have so far overlooked one of the basic controversies of the Reformation, the doctrine of grace and "salvation by faith alone", according to a group of evangelical Anglicans. In a statement issued today the group asks whether "the Roman Catholic Church now agrees that justification is essentially God's free gift of acceptance, bestowed on sinners by grace alone".

It asks, if that is so, how it accords with the Roman Catholic Church's traditional belief in good works, merit, purgatory, indulgences, prayers for the dead, and the role of the sacraments and of church membership in salvation.

Leading signatories of the statement include Mr Gervase Duffield, a member of the General Synod of the Church of England; Dr J. I. Packer, associate principal of Trinity College, Bristol; and the Rev R. T. Backwell, warden of Laxner House, Oxford.

Cinema certification urged for television films

All films shown on television should exhibit their cinema certification, the National Viewers' and Listeners' Association says in a report to the Home Secretary on the recommendations of the Annan committee on the future of broadcasting.

It also supports Annan's recommendation that the family viewing "watershed" should be moved from 9 pm to 10 pm and calls for the allocation of the fourth television channel to independent television.

The report is available from the association at Ardleigh, Colchester, Essex, at 50p, post free.

The Association of Directors and Producers which has members in the BBC and independent television, said yesterday it would be a disaster to give the fourth channel to independent television.

It feared the network companies would run it to protect their main money-making interest, the existing independent channel.

The association recommends control of the channel by the Independent Broadcasting Authority and says it should be financed through the levy on independent company profits.

British Library cataloguing bits of ancient ephemera

By Kenneth Coaling

In one of the British Library's most ambitious cataloguing projects, a research team has been organized to record about 300,000 small books, pamphlets and single-sheet items from the eighteenth century. The library decided to compile the "short title catalogue" after a six-month pilot study. The project is expected to take three years.

The librarians describe their previous treatment of the eighteenth-century documents as "dump-heading", that is, as they arrived by the sackload, the single pages, leaflets and tiny early newspapers were stuck into large volumes, most of which have since remained untouched with their contents in minor condition.

Dr Robin Alston, director of

the project, said: "By the time we have finished bringing all this uncatalogued and largely unknown material to light, a number of aspects of life in the eighteenth century will have to be rewritten."

As far as we are concerned, the eighteenth century represents the biggest gap in our catalogues. There is a very good record up to 1640 and the period of the civil wars, from 1641 to 1700, is fairly well documented. But the great terra incognita has always been the eighteenth century.

Some volumes contain as many as 900 individually cataloguable items. Other centuries are represented occasionally among the eighteenth-century documents; where there are no dates, the researchers must have a sharp eye for type-faces.

Moderator calls on authors of new book to go

The Right Rev John Gray, Moderator of the General Assembly of the Church of Scotland, yesterday called on the authors of the controversial new book, *The Myth of God Incarnate*, to resign their appointments. He said the Anglican dons who contributed to the book lived in ivory towers.

"The fact that they used the word 'myth' is a measure of their divorce from the real world of faith and life," Mr Gray said.

Book review, page 18

Girl's age gauged from her teeth

An Asian schoolgirl was placed under supervision for two years by Birmingham magistrates yesterday after they had been told that her mother arranged for her to marry a man of 26.

The juvenile court was told that the mother said she was 17. The police said a medical expert who examined her teeth on Wednesday gave her age as 14.

Arson at YMCA alleged

Thomas Tyrell-Kenyon, aged 22, formerly living at the YMCA in Old Snow Hill, Birmingham, was committed on bail at Birmingham Magistrates' Court yesterday for trial, accused of arson.

A condition of bail, for which his father, Lord Kenyon, stood surety, was that he should live at a hospital at Denbigh, Clwyd.

21 hurt in train

Twenty-one people were injured yesterday when a passenger train from Benton, Northumberland, crashed into buffers at Newcastle upon Tyne Central Station. All but one were released after hospital treatment.

Nun robbed

A nun collecting pensions for old people at a home at East Finchley, London, where she is the sister, was attacked and robbed of £540 yesterday.

Men in the news: Beaverbrook heads Complementary flair and dynamism from Trafalgar

By Our Financial Staff

When he launched Trafalgar House Investments in 1963 as a public company, Mr Nigel Brookes, whose bid for Beaverbrook Newspapers has been accepted, was the archetypal young tycoon. A millionaire by then, he possessed all the stylish attitudes of the Chelsea set, but also an impressive business mind.

Trafalgar was brought to the market as a property company but Mr Brookes was already planning bigger things. Eight years later, when he proved that even bastions of British commercial enterprise like Curzon could be taken over and, indeed, made to run successfully, his business expanded to include contracting, house-building, building materials and hotels.

Along the way Mr Brookes had taken over another important asset, Mr Victor Matthews, who became his right-hand man. The two are entirely different. Mr Brookes, aged 44, the son of a lawyer and educated at Stowe, has been described as "to the manner born".

Mr Matthews, aged 58, started in business with two Bristol building companies. By 1965 his construction business was sufficiently attractive for Mr Brookes to take it over. The partnership between Mr Matthews, the straight-talking Londoner, and Mr Brookes was formed.

Another important figure in Mr Brookes' career was the late Lord Crowther. When Mr Brookes, having seen no sign of an inheritance exhausted by ill-fated business ventures, decided to concentrate on learning the property business, Lord Crowther saw his potential and joined the board. More significant, it was Lord Crowther who introduced Mr Brookes to Commercial Union, the insurance company, equally impressed, gave him strong backing.

The introduction of Mr Matthews into the business seems to mark a rapid change of course. Mr Matthews, once an employee of Trollope and Collis, the "City's builder", persuaded Mr Brookes to buy Trollope, and there followed a significant expansion.

The change then was still character of a property man in 1970, with Commercial Union, Trafalgar, made an ill-fated



Mr Brookes: "To the manner born"

£154m bid for the company's largest property company, Metropolitan Estate and Property Corporation (MEPC). The successful Curzon bid a year later saw Mr Matthews emerge as the new chairman of the shipping company, one who enthusiastically supported a future for its flagship, the OSA. But the Sunard bid was more significant than that. It showed that Mr Brookes and Mr Matthews were interested in acquiring and managing industrial companies.

Mr Matthews, who becomes chairman and chief executive of Beaverbrook, is clearly a man who has a challenge. If Curzon is seen as a rags-to-riches story, Mr Brookes will see him get on with the job. Yet, despite their different approaches, the two men complement one another. Their offices in a Berkeley Street suite adjoin in one Mr Brookes' elegantly explained his philosophy of business, yet at the same time someone who clearly has a total grasp of detail; in the other Mr Matthews, busy but calm, occasionally breaking off to talk to someone about his consuming interest of horse racing.

Mr Matthews started high-level business late in life at the age of 40 and he gives the impression still of being slightly amazed at what has happened to him. But he is confident that any difficulty, even Beaverbrook, will respond to the right type of management.

What every cigarette smoker should know about NSM.

A new standard in tobacco substitutes.

NSM* is a totally new concept in tobacco substitutes. NSM has been developed following an extensive research programme over many years, financed jointly by Imperial Tobacco and ICI. NSM is a wholly British development.

The objective in developing NSM has been to convert natural plant material into a form which might help to reduce the risks which medical authorities have associated with cigarette smoking.

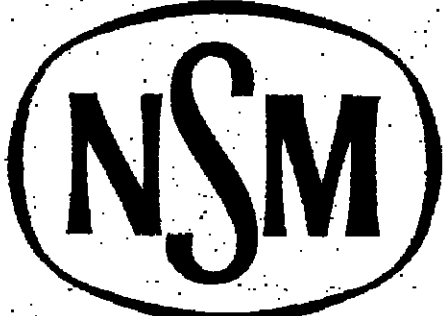
A programme of laboratory research has been completed to the satisfaction of the Independent Scientific Committee on Smoking and Health which has agreed to the use of NSM in certain cigarette brands. □ The Hunter Committee, appointed by H.M. Government.

Research has shown that when NSM burns, it produces smoke which is different in both its nature and its effects from that produced by Virginia tobacco:

1. NSM produces less than one-third as much tar.
2. NSM produces not just less tar but tar which is about one-third as biologically active (when measured by a standard mouse skin painting technique).
3. NSM produces a less irritant smoke.

The extent to which these attributes of NSM are effective in a product made from a blend of NSM with Virginia tobacco will depend on the specification of the cigarette and the proportion of NSM and tobacco in the blend.









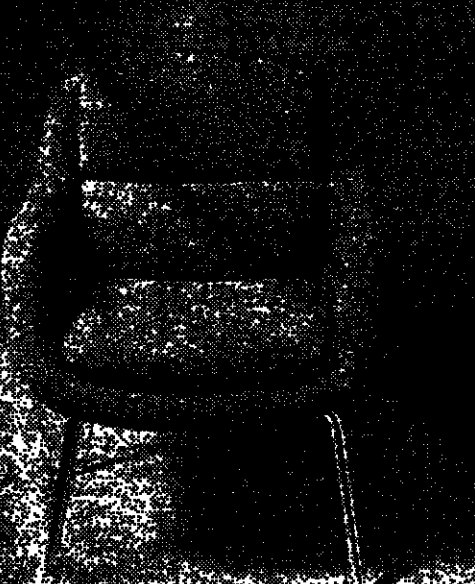





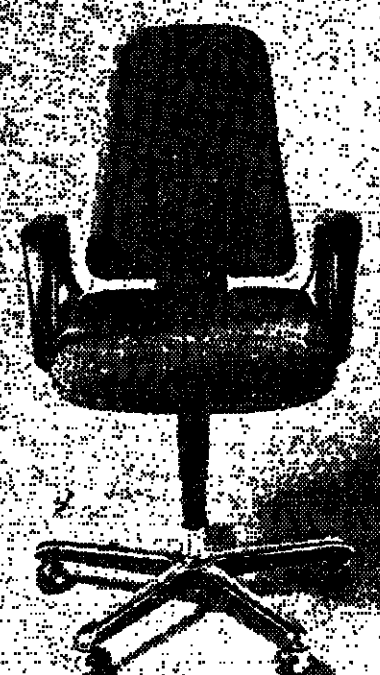

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WEST EUROPE

JET project hopes fade at end of EEC summit

By David Wood, Political Editor

At the close yesterday of the last EEC summit conference under British presidency, Mr. Callaghan and Dr. Owen, the Foreign Secretary, were left facing the probability that hopes of developing the Joint European Torus (JET) energy project at Culham have virtually disappeared.

The only consolation is that if the other eight EEC members have a change of heart, Culham remains the leading candidate for the site.

That summarizes the ministerial judgement behind the scenes. In the Commons, when he reported on the summit, Mr. Callaghan put it differently, but with well judged caution. The communiqué he presented contained no overt reference to JET. Under questioning, however, he said that the Government had been making a strong argument for a long time for agreement on Culham "and we have not yet got it".

He said that other areas were being looked at, and he added: "We are wasting a lot of time on this, and I believe the danger this time is that scientists will go elsewhere if it is not settled, and I pointed this out to the other members of the EEC. They are not agreed on the project, then no individual country could go



EEC leaders outside Lancaster House, London, yesterday at the end of their summit meeting. From left: M. Giscard d'Estaing, Dr. Fitzgerald, Mr. Callaghan, Dr. Owen and Herr Schmidt.

ahead because of cost and technology, and he believed that Britain ought to try to obtain agreement from other countries if possible.

Mr. Callaghan said that he was not over-optimistic that other countries outside the Nine would want to come in on the energy undertaking. The United States already had its own research project.

The Prime Minister, as president of the Council of Ministers, has asked EEC foreign ministers to consider the JET project in July "with a view to reaching a final conclusion", and he asked the scientific team at Culham to wait for that.

Two other important issues

were raised with the Prime Minister during questions: the creation of a Palestinian homeland, and direct elections to the European Parliament.

Mr. Hugh Fraser, Conservative MP for Stafford and Stone and a member of a Scottish feudal family, complained that the summit decision to refer to the need for a Palestinian homeland introduced a disturbing and dangerous element into Middle East politics.

Mr. Callaghan answered that it amounted to no more than the piecing together of statements that had been separately made before, and the words carried no added significance.

In the diplomatic lobbies it became clear yesterday that Mr

Callaghan had led his colleagues into a discussion of the European Parliament to provide himself with an opportunity to make the point that he had kept his word to use his best endeavours to bring before Parliament the necessary Bill to introduce direct elections.

In the House he commented that Britain was as forward as other EEC members, and that would be indispensable if British parliamentary processes were not more protracted than every other country's.

The Commons communiqué, again, made no reference to the subject of direct elections, simply because it is a Westminster controversy left for a

two-day debate on Wednesday and Thursday next week. In fact, President Giscard d'Estaing, for France, and Mr. Thorn, for Luxembourg, took the initiative to counter any pressure there might be (and there is) for the siting of the European Parliament permanently in Brussels; and they soiced Mr. Callaghan by dismissing proposals that European MPs should be paid four or five times as much as Westminster MPs.

One question to Mr. Callaghan on direct elections was a portent for next week's debate. Mr. George Cunningham, Labour MP for Inlington, South, and Finsbury, asked the Prime Minister whether the summit

had taken cognisance of the fact that under the Labour Government's proposed d'Hondt system for regional list elections a candidate could be elected without receiving a single vote. (The explanation is that the votes are averaged throughout the party list.)

Mr. Callaghan admitted his ignorance on the subject and undoubtedly saw parliamentary trouble ahead. But behind the scenes there is some good news. Among Conservative Euro-

peans there is a new and strong current of feeling that a compromise is possible with the Government in the struggle between the d'Hondt and "first past the post" systems.

Parliamentary report, page 16

Text of communiqué on growth and jobs

The following statement on growth, inflation and employment was issued by the EEC heads of government in London yesterday:

1. The European Council reviewed progress and on-going work on the range of problems which had been identified at its March meeting in Rome, including both within the Community itself and cooperation at wider international levels.

2. At its March meeting the European Council agreed to take action on specific labour market problems particularly for young people and women; to encourage high levels of investment in member states; and to halt divergence and promote convergence in their economic performance. The European Council noted that the Commission had taken within the Community on these points.

3. The European Council welcomed the agreement reached at June 28 by the Council (Social Affairs) to improve the effective operation of the European Social Fund, and the Commission would soon be submitting proposals to use the fund for a scheme directed to the employment problems of women.

4. The European Council attaches particular importance to the problem of structural unemployment among the young. It received reports from the Commission on the situation in the field of the labour market and has called on it to continue its work on the problem. The Council also called on the Commission to meet in early autumn to consider, in the light of this work and the results of national measures, what common action might be necessary.

5. The European Council noted with satisfaction the spirit of cooperation between the Commission, institutions and the social partners which marked the work of the tripartite conference of June 27. The Council hopes that the joint mission programme, announced at the end of the conference, may lead to a strengthening of this spirit of cooperation.

6. The European Council noted the readiness of the Commission and the board of governors of the EIB to the invitation which it made to them on March 26, 1977

to suggest ways in which the Community might increase and intensify its activities to promote convergence, investment and employment in the Community.

7. The European Council invited the board of governors of the EIB to implement its proposals.

8. The European Council also invited the Council (Ministers of Finance and Economic Affairs) to examine as early as possible the Commission's communication on investment and borrowing in the Community.

9. The European Council affirmed the necessity for the member states to arrive at a common energy policy.

10. The European Council reaffirmed the importance of co-operative efforts by industrialised countries to seek a sustained expansion of world economic activity, consistent with further reduction of the rate of inflation and thereby to help reduce unemployment.

The European Council expressed its determination that the Community and its member states should play their appropriate part in this worldwide cooperation.

In this connection the European Council noted the commitments made by each member state to the achievement of specified growth targets in 1977 and to the review of policies and progress in the field of government expenditure.

Other Governments have expressed their intention of continuing their stabilization policies.

The European Council expressed its concern that adequate international financing should be available to support this expansion of world economic activity, and expressed the hope that the efforts being made to this end in the IMF and elsewhere would be successful.

11. The European Council expressed its concern at the employment situation in certain sectors adversely affected by structural changes in the economy. It invited the Commission to continue studying all factors whether structural or otherwise and to indicate the conclusions which it draws from them.

The European Council also expressed its concern with the effects on the employment situation of the open and liberal Community policy of the Community, to which the Community, as the world's largest importer and exporter, remains strongly attached.

Statement breaks little new ground

Continued from page 1

uneventful summit. Earlier yesterday, he had been pressed by trade union leaders for action in the Community to boost growth and combat unemployment.

Asked if Britain was among those countries judged to be in a position to reflate now, Mr. Callaghan did not answer directly, but with an autumn budget in view, his answer seemed to be a strong hint in the affirmative.

The statement on growth, inflation and employment issued by the heads of government breaks little new ground, but after so much lobbying for positive action, Mr. Callaghan expressed himself satisfied with it. For a change, no one pressed the West Germans to reflate at this meeting, a point noted with a certain pleasure by Herr Schmidt. West Germany, with the lowest interest rates in the Community, was already doing its bit, he implied.

The most interesting part of the economic statement was the effects on employment of the Community's liberal trade policy. Mr. Callaghan insisted that there would be no departure from this, but at the same time referred to certain sensitive areas such as footwear, textiles, shipbuilding, steel and electronics, which needed "looking at".

The most important point in the statement, the Prime Minister said, concerned increasing the loan capacity of the European Investment Bank. The aim here is to find ways of promoting convergence, investment and employment in the member states. On unemployment, all the European governments were unanimous in their focus to concentrate on employment for women and younger people. Everyone between the ages of 16 and 19 should either have a job or the chance of higher education.

EEC summit notebook

Herr Schmidt ends his visit with helicopter outing to Henry Moore

By Roger Barthoud

As if to prove that the human contact brought about by summit meetings is a civilizing influence, Herr Schmidt, the West German Chancellor, left his wife took a helicopter ride yesterday afternoon to visit Henry Moore at his studio near Much Hadham, Hertfordshire.

The sculptor had been to Bonn a few weeks ago to discuss the possibility of one of his works going in front of a new Chancellery building in the federal capital. No decision was taken, but Mr. Moore invited Herr Schmidt to visit him next time he was in England.

And so it was arranged. "It was an absolutely simple and charming occasion. They were both very pleasant," Mr. Moore said afterwards. He will be going back to Bonn before long, when an exhibition of his graphic work will be held at the Musée National in Paris to a gallery in a disused railway station at Rolandseck.

Like Mr. Callaghan, Herr Schmidt is a firm believer in the value of regular meetings of heads of government. "The news value, but for the participants they are extremely useful," he told West German correspondents before leaving London.

After an unfortunate start in May, when there were long delays on opening day over the accreditation of journalists for the economic summit, the new government press centre emerged very well from the four conferences of the past seven weeks.

There were some accusations of extravagance when the old Bath Club in Little St James's Street was specially refurbished and equipped with a large

switchboard, radio studios and closed-circuit television, at a total cost of £1,026,000. This was done mainly because Britain was assuming the EEC presidency for the six months just ended.

A spokesman of the Property Services Agency, a branch of the Department of the Environment, said yesterday that the centre will be retained for government and departmental conferences. In the period since April, 1976, there had been 114 such conferences for which its facilities would have been suited (the old United Services Club in Pall Mall had to be leased instead) and the power already 10 firm bookings from August to November, the spokesman said.

The building is a bit of a rabbit warren, and some of its rooms are on the small side for their purpose. But there are so many of them that journalists became evenly dispersed. Female journalists wearing green dresses were liable to be mistaken for the half-dozen girls in green from a conference agency who oiled the administrative wheels with great charm.

The French are not always very strong on public relations, and are even more blatant than the British in trying to manipulate their national press. But they showed some neat footwork at this meeting. A French version of the Ninth declaration on the Middle East was available a good hour before the English one, to the joy of deadline-pressed British journalists. The declaration was, of course, a French initiative.

On Wednesday evening British diplomatic correspondents, visiting French-speaking journalists (mainly from Brussels), and British and French officials were invited to a buffet supper at the Foreign Press Association's premises in Carlton House Terrace by the new press counsellor of the French embassy, an imaginative move which the British should perhaps have emulated.

Mr. Callaghan has become perceptibly more relaxed in the past four years when taking press conferences, no longer tending to lurch from aggressiveness to heavy geniality.

He appeared to be on the defensive yesterday only when assuring a doubter very tersely that Britain's handling of the EEC presidency had been a success and had not been affected by noises off from anti-Market forces. His powers of logic seemed to falter, however, on the subject of salaries for directly elected members of the European assembly (a range of £22,000 to £30,000 has been mooted). "I have my own views about the level of salaries of these gentlemen who have not been elected by anyone," he said.

Both Herr Schmidt and Mr. Tindemans, the Belgian Prime Minister, made the point that Mr. Callaghan had been an excellent president. But even Brussels anglophiles conceded that other British ministers of anti-EEC views have behaved with a blend of arrogance and spite-on issues like the Common Agricultural Policy, fisheries and the Joint European Torus—which has proved counter-productive. Much valuable work by Mr. Callaghan and senior officials has thus been negated.

Terrorists shoot two Fiat executives after night of violence in Italy

From Patricia Clough, Rome, June 30

Two Fiat executives were shot and injured today, one of them seriously, as Italy's various terrorist groups intensified their attacks on leading industries. The shootings in Milan and Turin followed a night of violence.

Three railway wagonloads of electrical appliances were blown up overnight at a station at Zanussi factory near Pordenone, north-east Italy.

An undetonated plastic bomb was found by a night watchman in the headquarters of the industrialists' association in Bologna. Police said it failed to go off because of a defect and were treating the case as political.

A second bomb exploded at the entrance to a building on the city's outskirts, doing minor damage. Police were not sure that the two were linked.

Signor Franco Visca, who is in charge of the maintenance department at a Fiat factory in Turin, was in a serious condition in hospital today after being shot in the legs and abdomen outside his home this morning.

Signor Luciano Marracani, of Fiat-Om in Milan, a subsidiary that manufactures lorries, escaped with one flesh wound in a leg when he was shot as he left home for work this morning.

Meanwhile, in Florence a night watchman, Signor Remo Pietroni, was found shot dead on the outskirts of the city. Police have been hunting for a group of terrorists who had been disturbed as they were preparing to blow up a water pumping station.

Nine youths said to belong to extreme right-wing associations were being interrogated. In Rome the flat of a right-winger and a shop and car belonging to two others were damaged by petrol bombs. Responsibility was later claimed by a "proletarian youth" organization.

to break up the various components of the "capitalist machine" with this form of intimidation.

The attacks were condemned by Fiat and by the Metalworkers' Union, which said that the strategy of terror simply furthers reactionary and authoritarian designs.

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More want Britain to leave EEC

By a Staff Reporter

Almost half of the British people favour withdrawal from the EEC, according to a Gallup poll conducted for BBC television's Tonight programme.

A sample of 947 adults across Britain were asked: "If there were to be a referendum tomorrow on the question of whether or not Britain should withdraw from the Common Market (that is the European Community) would you personally vote for Britain's withdrawal or against Britain's withdrawal?"

The results, presented in last night's edition of the programme, were: 47 per cent for withdrawal, 38 per cent against and 15 per cent "don't know".

There was a different result among those in the sample who had voted in the EEC referendum: 43 per cent for withdrawal, 47 per cent against, and 10 per cent uncertain. In the referendum itself, 63 per cent of the sample group had voted for the EEC, and 37 per cent against.

The overall referendum result in 1975 was 67.5 per cent in favour of staying in, and 32.5 per cent for getting out.

Nato employees postpone strike

Brussels, June 30.—The 1,200 civilian employees at Nato headquarters here have voted to postpone a strike due to begin today, while comparisons of their pay-scale are made with other international organizations.

They are dissatisfied with salary increases offered them to compensate for the rise in prices. They maintained their notice of an impending strike, which would be their third this year.—Agence France-Presse.

Madrid warns OAU over Canaries inquiry plan

From Harry Debelius, Madrid, June 30

Spanish diplomats bristled here today over a report that the Organization of African Unity (OAU) might send an investigating team to the Canary Islands to establish if the islands were independent as an African nation.

Although there was no immediate official reaction, the Spanish Foreign Ministry immediately got in touch with all African Ambassadors in Madrid to make its position unmistakably clear: Spain under any government would consider such action by the OAU an interference in its internal affairs and that there is no question in Spanish mind about the territorial integrity of the Canaries and mainland Spain.

The political committee of the OAU, meeting in Libreville, Gabon, has recommended that a team be sent to the Spanish archipelago off the north-western coast of Africa, a recommendation which will presumably be considered at the five-day African summit meeting which began there tomorrow.

If the African heads of state reject the recommendation, the whole matter might be forgotten. If they vote in favour, however, Spain's reaction is expected to be harsh, informed sources said.

The Canaries Islands, whose residents, mostly of Spanish descent, seek a degree of autonomy but identify much more closely with continental Spain than with Africa, are troubled by the terrorist activities of the Alvarado-backed movement for Self-Determination, and Independence of the Canaries Islands.

The terrorists are spurred on by Señor Antonio Cubillo, a Spaniard, in a daily broadcast from the Algerian national radio studios in Algiers entitled "The voice of the free Canaries".

Rubber-stamp legislature fades away in Spain

From Our Correspondent, Madrid, June 30

General Franco's rubber-stamp Parliament quietly faded out of existence here today, 34 years after its first session.

The twice-extended mandate of the general's last legislature expired at midnight.

The Cortes, based on the Franco regime's principle of "organic democracy" was a single-chamber Parliament.

The new Cortes includes a Congress of Deputies, or Lower House, with 350 elected members and a Senate with 207 appointed members and 41 others appointed by the King.

Spain's first freely elected democratic Parliament will assemble next month.

Lisbon plan to cut cost of helping refugees

Lisbon, June 30.—The refugees who are still arriving daily from Portugal's former African colonies will from tomorrow receive a resettlement grant instead of being housed at public expense, the Government has decided.

The Government statement added that in the past seven months 21,092 refugees had arrived of whom 9,661 had been lodged by the state. The annual cost of such assistance was about 700m escudos (more than £10m).

From tomorrow refugees in need will get a resettlement grant of from 15,000 to 40,000 escudos (between £230 and £630) according to their circumstances.—Reuters.

OVERSEAS

Fierce artillery duels set crops ablaze in southern Lebanon

Beirut, June 30.—The two sides in south Lebanon, where civil war smoulders on, fought bitter clashes today and there were signs that they were poised for a major battle aimed at changing front lines which have been static since April.

Travellers from the sensitive south, near the Israeli frontier, said leftist-Palestinian forces and their Israeli-backed right-wing enemies hammered each other with everything in their arsenals after a six-hour morning lull.

The travellers reported at least 10 wounded and crops set alight in fierce artillery duels and ground fighting between leftist strongholds and right-wing positions located in an eight-mile-long enclave along the border with Israel.

It has been cut off from supplies through Lebanese territory and depends on Israel for survival after a leftist-Palestinian offensive early in April.

Since then, the antagonists have fought a stationary war. Neither side gained, despite almost daily artillery exchanges.

Informed right-wing sources said today that Major Saad Haddad, Commander of the embattled rightist enclave in key towns are Marjayoun and Kfar Saba, had twice in the past 10 days asked Army headquarters in Beirut for permission to break through the leftist encirclement.

But there had been no response to the appeals. Major Haddad describes himself as a loyal Lebanese Army officer, but he is not recognized by the Army Commander and his aides, who have the arduous task of reforming the armed forces.

These splintered into at least four rival factions during the civil war in which fighting ended in most parts of the country last November, dragged on in the south in absence there of the peace-force.

Non-Lebanese military so said that Palestinian guerrillas and their leftist Lebanese allies in arms were regaining their forces west, north-east of the right-wing enclave in the south of Lebanon.

Palestinian concern over possibility of an Israeli-backed offensive has heightened since Israel is granting transit facilities to rightists earlier this month.

Reliable diplomatic sources here say that Major Haddad troops have repeatedly tried to break out of the village of Kfar Shouba near Israel and the Israeli-occupied Golan Heights.

Both the Marjayoun and Kfar Shouba are in a Bur Major Haddad is said to launch a big offensive on both fronts against Israeli supplies of water, weapons and ammunition.

The Israelis last carved a new road into south-western slopes of Mt. Hermon, well inside Lebanon territory, just above Shouba.

The fighting in south Lebanon has continued as a flurry of diplomatic activity in the latest attempt to end the bloodshed, Mr. Foad Buti, the Lebanese Foreign Minister, said today.

Defence Minister Youssef Bugeja, a son of three, a Saudi Arabia—which has been involved in efforts to bring peace to the south.—Reuters

China ready to arm Palestinians

Peking, June 30.—M. Abu Jihad and a delegation from the Palestinian Fatah movement left Peking today for the provinces after receiving an exceptional welcome in the capital and an assurance from the Chinese leaders of "resolute support" for their cause.

Mr. Jihad, a member of the Fatah central committee, had talks here with Chairman Hu Yaobang, Premier Zhao Ziyang and other leaders of the Chinese Government.

A spokesman for the Palestine Liberation Organization in Peking said that the Chinese leaders had been "very cooperative" about military aid.

Agence France-Presse.

Beirut: The European Community policy of mediation on the Middle East had some positive points "but failed to deal with reality in a concrete and well-defined manner", the official Palestinian news agency said today.

The EEC statement's paragraph on the Palestinian question "despite its obscurity on defining Palestinian rights" has two positive points which deserve "attention", the agency's political editor said.

These were:

1. This was the first time that the EEC had taken a unified stand on the Palestinian question. "This represented a step forward towards the recognition of the Palestinians as a people whose existence must be expressed through the objective reality of a homeland."

2. The statement called for the return of refugees to the 22 communities which came at a time "when the President Menachem Begin heads a new Israeli Government which is planning for war, to consolidate its settlement policy and occupation."

"This meant the EEC had started to view seriously the danger of the upcoming explosion with the Begin Government, a danger threatening to spark off a new war whose repercussions would encompass the whole region."—AP.

Amazon jungle invaded by land-hungry settlers

By Jonathan Kendall, Cacao, Brazil

Brazil's drive into its vast Amazon frontier has led to a feverish land rush drawing thousands of pioneers to the jungles.

The assault on the Amazon basin, covering more than half of the country, began in earnest under the right-wing military government in the early 1970s. Its ostensible purpose was to resettle a million impoverished peasants from the drought-stricken north-east into the fertile Amazon jungles.

That initial drive has sputtered and changed directions. The northern Amazon has largely proved too unfruitful for intensive agriculture. Many of the north-eastern peasants—diseased and without technical aid or financial backing—have abandoned the jungle adventure and straggled back home.

Huge development enterprises have since then begun extensive cattle ranches.

But here in the south-western Amazon, in what has proved to be more fertile terrain in the territory of Rondonia, a spectacular land rush has been under way for the past four years, and seems to be reaching its climax.

The pioneers of Rondonia are the sharecroppers and Brazilians—blacks and Portuguese and German immigrants, mulattoes, and blacks and Portuguese Indian mixed-bloods who have been left jobless by a rapid mechanization of farming in Brazil's booming southern agricultural zones.

Compulsory culture

Luxembourg, June 30.—Children of EEC citizens working in other Community countries will have to be given classes in their mother tongue and culture under measures which take effect in four years time, agreed by labour ministers here.

Lured by stories of cheap land distributed by the Government, the pioneers arrive daily by the dusty or muddy highway on board overcrowded buses or rickety lorries and even horse-drawn wagons. Many are victims of land frauds. Some become squatters, invading larger, established ranches or even parcels owned by Indians who arrived earlier.

Others storm Indian lands, scattering or murdering the inhabitants. A few years ago, the Melhoranza brothers, land speculators from a neighbouring state, sold fraudulent land titles to pioneers for the entire reservation of the Surui Indian tribe—an expanse covering about three million acres.

Before the Army intervened last year, the 1,000 or so Surui population had been reduced by white men's diseases and killings to fewer than 200 survivors. The pioneers were allowed to keep the Indian lands.

The vortex of the south-western Amazon land rush is Cacao, a town that sprang up from the uninhabited jungle only four years ago and exploded to its present size of 12,000 residents, with a further 25,000 people living in patches of land on the outskirts.

Horseback riders and mule-drawn carts mingle with lorries and cars. Almost every body has a gun at home.

Despite the violence, disease and hardships, Cacao is a promised land for many of the pioneers, particularly for those who arrived in time to acquire legal land deeds.—New York Times-News-Service.

£63m offered to users suffering effects of drug

From Our Correspondent, Geneva, June 30

Ciba-Geigy (Japan) Ltd and 19 other companies have offered to pay £63m to people who suffered severe side-effects from the use of the anti-diabetic drug marketed internationally as Nintorviform, Mexafarm and Emaform.

While these have been banned in Japan and several other countries, they are still widely used. The sum was proposed, with Japanese Government approval, as a settlement in the Tokyo District Court, which is dealing with the claim of several thousand Japanese afflicted by "sulfonylurea" syndrome, a neurological system, after taking the drug.

Swiss recommended to join the United Nations

Bern, June 30.—A Government report today recommended that Switzerland join the United Nations, but gave a warning that the majority of Swiss people remained opposed or indifferent to the idea.

Under the Swiss constitution a decision on joining the world body would have to be taken in a national referendum, but the report avoided proposing a date for this, saying only that

Herr Hess allowed TV

Berlin, June 30.—Rudolf Hess, Hitler's former deputy, is being allowed to watch television in Spandau prison for the first time, informed sources say. He has been in Spandau since 1946.

Death in jewel hold-up

Paris, June 30.—Two armed men shot dead a young man who tried to stop them escaping from a Paris jewellery store tried to hold up today. The gunman, who had been tackled by the jeweller, escaped.

Herr Hess allowed TV

He has been in Spandau since 1946.

We're for interest



OVERSEAS

OAU unity hampered by land disputes between its members

from Nicholas Ashford
breville, June 30

The Organization of African Unity faces three potentially serious territorial disputes between member states and a rift recognizing only one of the Sudanese nationalist movements.

Two of the three disputes between members flared up during the closing hours of the meeting of the Council of Ministers and are to be referred to the conference on Saturday. The first was a claim by Somalia that Somali troops have invaded the north-eastern part of its territory; the second, an allegation by Chad that Libya is occupying a slice of Saharan territory.

The third dispute, concerning eastern Sahara, involves Algeria, Mauritania and Morocco.

The first one was raised by Mr. Muxyus Wairaki, the Kenyan Foreign Minister, this afternoon. He said two groups of small soldiers had passed through north-eastern Kenya at weekend near the border of Mandera, where the Sudan, Somali and Ethiopian forces meet. He said some 1,000 Somalis had been killed and six Kenyans injured and that six Kenyans had been killed.

Mr. Wairaki described the invasion as "very serious", but Somali spokesmen denied that there had been a clash involving Somali troops. Somalia "has not attacked and will not attack Kenya", he said.

Although a Kenyan spokesman insisted that the Somali had Kenya as its objective, it seems more likely that it was on its way to the northern Ethiopian province of Amhara where the Western Somali Liberation Front is engaged in a guerrilla war against the Ethiopians.

The Chad-Libya dispute was raised by Mr. Kamougue Abdelkader, the Chad Foreign Minister. He said there had been rocket and mortar attacks from northern and eastern Chad against Chad rebels in the region and that Libya was trying to "undermine our policy of national reconciliation".

Mr. Abdelkader said Libya was occupying a strip of territory in northern Chad around the town of Aozou and that it intended to form a separate state in the Borkou, Ennedi and Tibesti regions, stretching from Algeria to Niger. The allegations were denied by the Libyan representative who said Chad was trying to find a scapegoat for its own internal troubles. The third dispute, Western Sahara, is the most complex and potentially the most difficult to resolve. A liberation

movement, the Polisario Front, has transformed itself into a government-in-exile, and has been fighting an increasingly successful diplomatic and military campaign, with Algerian backing, against Morocco and Mauritania.

The question of Western Sahara was first raised at last year's OAU summit in Mauritania, which decided to hold an extraordinary summit to discuss the matter. This summit was due to have been held before the present meeting, but there is still no sign of when it will take place.

Morocco walked out of the Mauritania meeting and withdrew from the organization altogether when a Polisario delegation attended an OAU Council of Ministers meeting in Lomé in February.

Morocco agreed to attend the present meeting only after a special appeal by President Omar Bongo of Gabon, who maintains close relations with King Hassan. It is understood that Morocco did so on condition that the whole question of Western Sahara was not raised.

It seems likely, therefore, that this issue will again be referred to an extraordinary summit, despite of Algerian efforts to have it discussed now.

Two of the three Rhodesian nationalist movements attending the Council of Ministers meeting have been exchanging more shots in the battle for OAU recognition. Bishop Abel Muzorewa, leader of the African National Council, held a press conference this morning to say his supporters were as much engaged in the guerrilla war as the Patriotic Front.

He accused the front-line states (excluding Botswana) of creating a "counter-revolutionary element in our struggle by discriminating against his organization and its supporters."

He also alleged that his supporters were being forced to join the rival forces against their will and that those who refused were being victimized, tortured and detained.

This was rejected by Mr. George Shumba, a Patriotic Front spokesman. The question of recognition will be discussed by the heads of state during the next few days but it now seems most unlikely that they will give exclusive backing to the Patriotic Front.

Sudan crossing: The Norwegian Foreign Ministry says its consul in Addis Ababa reported that Sudanese troops had crossed into Ethiopia and occupied the town of Beica, about 300 miles west of Addis Ababa. The consul received his information from Norwegian missionaries in the occupied town.—A.P.

Japan acts to block sanctions loopholes

from Peter Hazelhurst
Tokyo, June 30

Japan, the world's biggest producer of steel and a suspected violator of sanctions on Rhodesia, will introduce new stringent measures next month to prevent Rhodesia from shipping illegal consignments of chrome ore to Japanese ports under false South African certificates of origin.

The new regulations, adopted in Tokyo this week as leaders of the Organization of African Unity were preparing to condemn Japan's trading links with Rhodesia, will undoubtedly come as a blow, not only to Salisbury but also to South Africa.

Japan is the world's biggest buyer of chrome ore and ferrochromium from southern Africa. Last year its steel industry imported 416,000 tons of chrome from the area.

At present Japanese customs will accept consignments of chrome and ferrochromium from South Africa, accompanied by a certificate of origin issued by the South African Chamber of Commerce.

Japan denies that it has violated sanctions, but evidence suggests that about half its chrome imports from South Africa are indirect consignments from Rhodesia.

The new regulations, which come into force on July 18, require consignments of chrome ore from South Africa to be analysed by Japanese laboratories. Any cargo with a high chrome content, characteristic of Rhodesian ore, will be banned, regardless of the certificate of origin. The new regulations state that examination must be conducted by a neutral laboratory under the supervision of customs officials.

The new law also declares that chrome imports from all other sources outside South Africa must be shipped directly from the country of origin, or on a through bill of lading.

Japan had been warned that the United States would refuse to import specialized steel products unless the Japanese Government provided certificates proving that the metal did not contain Rhodesian chrome.

Japanese officials admitted today that the Government had been suspicious about certificates of origin issued by the South African Chamber of Commerce.

"We were suspicious because the South African Government refused to meet our original request and issue an official certificate of origin in its own name", one said. "They always insisted that the South African Chamber of Commerce was the competent authority."

Unesco round-table meeting told that knowledge of science should be an instrument of change
Averting doom in the year 2000

from Charles Hargrove
Paris, June 30

A two-day round-table discussion organized by Unesco on the "Challenge of the year 2000", attended by 30 people prominent in the fields of politics, arts and science adopted a resolution calling for a new world economic order. The participants included three Nobel Prize winners, Professor Alfred Kastler, Lord Noel-Baker and Mr. Sean MacBride.

All the speakers in the discussion, who came from all parts of the world, fully endorsed the alarm sounded by Senator Luis Echeverria, the former President of Mexico, who insisted on the opening day that it was intolerable for 1,400 million people to dispose of only 4.4 per cent of the world's wealth.

Exhaustion of natural resources and the arms race, he added, were not the only threats to mankind. If new forms of energy became the monopoly of a minority, an atomic war was an inevitable risk. He saw the true answer to the threat to man's future in the rational use of human and material resources. He considered that scientific knowledge should be used as an instrument of change.

In the year 2018, he said, "owing to demographic multiplication, out of a possible world population of 9,710 million, 7,730 million make up the Third World. In the face of this tide, it is useless to think in terms of a desperate attempt at demographic sterilization. We must think in human, scientific, and rational terms, a qualitative transformation of life which affects the root cause of population growth."

"There is no community of

free peoples which can be based indefinitely on the exploitation and misery of the masses," he emphasized. MRM. Janer Stanovik, the executive secretary of the United Nations Economic Commission for Europe, said that, in the world of the year 2000, the total gross national product would be trebled because of low population growth in the industrialized countries; but high population growth would cause growing inequality in the Third World.

Consumption of the earth's resources of energy would quadruple by the turn of the century, and it was neither moral nor possible for this to continue.

The meeting expressed "alarm at the dilatoriness in implementing world nuclear disarmament" as a first step towards general and complete disarmament; at the continued and reckless plundering of the irreplaceable resources of the earth; and at the arbitrary deforestation and pollution of nature.

The three Nobel Prize winners drafted an appeal open to signature by all participants, which called upon President Carter and President Brezhnev to ensure the application of Article VI of the 1970 Nuclear Non-proliferation Treaty as soon as possible. This article pledges signatories to pursue negotiations on effective measures for the cessation of the nuclear arms race "at an early date", leading to nuclear and general disarmament.

"What meaning can be given to the phrase 'an early date'?" the appeal asks, reminding the leaders of the two superpowers that the fate of mankind hangs on their decision.

Mr. MacBride suggested that

Unesco or the Council of Europe sponsor an international convention to ensure protection of the right to information on armament and disarmament, and provide measures to prevent the manipulation of mass media by "industrial and military complexes, governments, or other economic interests that favour disarmament".

M. Andre Fontaine, the editor of Le Monde, said nuclear war and poverty were the joint threats to man's future and expressed the view that conservation and fairer distribution of the world's resources were needed. This called not only for a mental, but also a moral revolution, and the imposition of restraints.

Professor Kastler sounded the alarm over the deforestation of the world and oil pollution of the seas. The destruction of the celebrated cedar forests of Lebanon dated only from the past century—93 per cent of the forests of Madagascar had been ruined in less than 100 years; and half the African Equatorial jungle had vanished.

Introducing a sharp political note in the debate, M. Michel Jobert, the former French Foreign Minister, condemned "the predominance of the United States" and insisted on the need for a sharing of power in the year 2000.

"We live on in the system of Yalta", he said. "What is fundamental is to condemn great empires and abusive doctrines which always turn into state violence of the detriment of individuals. The interest of Europe is to be able to demonstrate that there is a quiet way of contesting power and insist on the sharing of it, in the monetary and commercial fields also", he said.

Chartist tells of Czech national aspirations

By Richard Davy

A thick new dossier on violations of human rights in Czechoslovakia was presented at a press conference in London yesterday by Mr. Tom Stoppard, the playwright, who recently visited Czechoslovakia, and Dr. Zdenek Mlynar, formerly a senior party official in the reformist Dubcek regime of 1968, who came to the West on June 13 after months of harassment.

Dr. Mlynar said that the human rights activists in Czechoslovakia were not a small group of dissidents but represented national aspirations suppressed by the armed force of the Soviet Union.

The regime knew if it granted freedom of expression the majority would turn against the policies of "normalization", which have prevailed since 1959. The human rights movement was a movement for national sovereignty and political democracy, he stated.

The aim of Charter 77, the civil rights document published in January and so far signed by 730 people, was not designed in Dr. Mlynar's view, to provoke the confrontations between East and West, nor did it aim to change the subordination of the dictatorship imposed after the Soviet-led invasion of 1968.

But debate was scarcely imaginable without respect for international obligations, and all the signatories of the Helsinki agreement were fully entitled to inquire into its implementation by other signatories. This was not only an internal affair of the signatories themselves.

He said that intimidation might stop the Charter 77 movement from continuing to produce new documents, but it had not done so yet.

The dossier which he was introducing is being sent to all 35 governments which signed the Helsinki agreement in 1975 and which are now meeting to

prepare a review conference in Belgrade.

It contains the full text of Charter 77, numerous letters and petitions to the authorities, the text of the letter dismissing Dr. Mlynar himself from his job as an entomologist in Prague's National Museum after he had signed the charter, and many other details of illegal dismissals, denial of full educational opportunities to the children of dissidents and general harassment. There are also texts of Czechoslovak laws and expert analysis of them.

Whether the Charter movement survived or not the important thing was to strengthen the national consciousness of people and the ideas of human rights and thereby to work for democratization.

Official propaganda had been a great help, he said. Never before had Rude Pravo, the Communist Party paper, written so much about human rights. For instance, whenever it criticized West Germany for excluding certain people from public service it drew attention to the relevance of the question for Czechoslovakia.

The political leadership of Czechoslovakia, he said, was united in two respects. No group would act without permission from Moscow, and all shared collective responsibility for the purges of 1970-1972, as they were all frightened of democratization.

But there was a pragmatic group, represented by Mr. Lubomir Strougal, which felt that the economic performance of the country could be improved by a slightly more relaxed policy of promoting people with better professional qualifications.

White Paper on Czechoslovakia (The International Committee for the Support of Charter 77 in Czechoslovakia), 112 from Mme France de Nicolay, 3 rue des Lions, 75004 Paris.

One man's testimony, page 18

Mr Vance seeking closer relations with China

New York, June 30.—Mr. Vance, the United States Secretary of State, last night outlined an American policy in Asia of seeking closer ties with China while reinforcing existing relations with traditional American allies in the region.

In a speech to the Asian Club here, Mr. Vance noted that he was going to Peking in seven weeks, but said that further normalization of relations "may not be easy or immediately evident".

He said he would be discussing many issues with Chinese leaders and subsequently remarked that the United States had in the past offered to meet

Chinese and North and South Korea officials to find a more enduring peace between the two Koreas.

But even as he defended the Carter Administration's stand on pulling out all American ground troops from South Korea, saying the United States was still committed to the country's security, he reported strongly criticizing the withdrawal was issued for Congress.

The report, prepared by the non-partisan congressional Budget Office, said the withdrawal could increase the chance of conflict between the North and South and might also encourage Seoul to acquire nuclear weapons.—Reuter.

Mercenaries' relations anxious for news

By Stewart Tiedler

The situation of British mercenaries imprisoned in Angola is to be discussed at a meeting next week between Dr. Owen, the Foreign Secretary, and a representative of the men's relatives.

The meeting has been arranged for Tuesday, when Dr. Owen will be told of the relatives' concern about the seven Britons. They have received no letters since an abortive coup took place in Angola in April.

For some time Italian diplomats, who represent British interests in Angola have been trying to visit Sao Paulo prison to see the men.

Cautious Hungarian line in Eurocommunist dispute

Budapest, June 30.—The Hungarian Communist Party, taking a cautious line in the growing controversy over Eurocommunism, said today that every communist party was entitled to chart its own policies.

European communist parties, operating under different conditions, had a right and duty "to select independently a path for the democratic transformation of their countries and for building a socialist society", according to Dr. Janos Berecz, the director of the international section of the Hungarian party.

His comment, published in

the party newspaper Nepszabadsag, came after sharp attacks by Soviet and Czechoslovak journals against Señor Santiago Carrillo, the Spanish Communist leader.

The Spanish, French and Italian Communist parties follow a moderate line which has become known as Eurocommunism. This is regarded as highly suspect by the parties of Eastern Europe.

There have been growing indications that the Hungarian party, which has close links with Italian Communism, does not fully endorse the Kremlin campaign against Eurocommunism.—Reuter.

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OVERSEAS

Mrs Bandaranaike set for poll win in Sri Lanka despite opposition of former leftist allies

From Donovan Moldrich
Colombo, June 30

Mrs Sirimavo Bandaranaike, the Sri Lanka Prime Minister, appears to stand a good chance of being returned to power in the general election on July 21. Despite defections, her Freedom Party had 91 members in the old House of 151 elected members. The opposition United National Party had only 49, while the United Left Front, consisting of Trotskyists, Communists and former Freedom Party members had the support of 28 MPs. Only a dramatic swing in public support can result in the United National Party ousting the Freedom Party.

In the 1970 general election in which she defeated the United National Party, Mrs Bandaranaike had the support of the Trotskyists, to whom she subsequently gave three portfolios, and at the present time she has the support of the Trotskyists, Communists and former Freedom Party members who received one portfolio.

The legislative measures of the Trotskyist ministers, especially Dr N. M. Perera, who was Minister of Finance, angered the new rich who are the financial pillars of the Freedom Party and in September, 1975, Mrs Bandaranaike asked President William Gopallawa to dismiss the three Trotskyist ministers.

The position of the Com-

munist became increasingly untenable and the last straw for them was when Mrs Bandaranaike prorogued Parliament in February this year without even informing her Communist allies in the Cabinet and Government.

The Trotskyists, the Communists, and five members of the Freedom Party who left it because of the repressive measures taken to crush strikes in January this year now constitute the United Left Front.

Mr J. R. Jayewardene, who succeeded the late Mr Dudley Senanayake as leader of the United National Party in April, 1973, has attempted to build a popular party which no longer depends on aristocratic or wealthy families for support.

The party has chosen as candidates in the forthcoming election men and women from all walks of life and has wooed young people who constitute about one million new voters.

Mr Senanayake was a bachelor and he misjudged the mood of the country when he reduced the weekly rice ration from 4lb a week to 2lb (given free). It was the "kitchen vote" that swung Mrs Bandaranaike into power in May, 1970. She made the restoration of the ration of 4lb one of her main election promises then. This time the United National Party is promising voters 8lb of rice a week if they are returned to power.

The United National Party is also mobilizing support by pinpointing public grievances over the increasing cost of living, unemployment (about one million people are unemployed), corruption, the gagging of the news media, and allegations of nepotism.

In 1970 Mrs Bandaranaike had the vociferous and volatile leftists on her side. This time they are all ranged against her.

The leaders of the United Left Front are promising to carry on the nationalization measures they had hoped to introduce before they were ousted from the office. The United National Party, as part of its new image, also claims to be socialist and has promised to make workers the owners and directors of all state-owned enterprises.

With "socialism" a common promise of the three main groups, the Freedom Party is likely to be judged on its record in office over the past seven years. The recent boom in rice prices came too late for Mrs Bandaranaike's Government to mitigate the hardships that people have suffered through restrictions on imports.

Mrs Bandaranaike has spoken of the need to lead the country to "economic independence" and has said that once she achieves this goal she will retire from politics.

Kenya says E African Community is dead

From Charles Harrison
Nairobi, June 30

No financial provision has been made by the Kenya, Tanzania and Uganda Governments to finance the East African Community after midnight tonight. Efforts to secure at least a temporary payment of part of the new financial year have apparently failed, because of the hostility between the three states.

Kenyan officials are saying that the Community is now dead, and they have recalled all the Kenyan working at the Community headquarters at Arusha, in northern Tanzania.

Mr Geoffrey Karithi, permanent secretary in the Kenyan President's office, said Kenya would take over the services hitherto provided by the Community. Railways, air services and air services are already operating separately for Kenya and the other countries.

The East African Posts and Telecommunications Corporation, although a Community body, has been effectively divided into three separate organizations.

The civil aviation and meteorological services have already been taken over by the Kenya Government. The same is now expected to happen to the customs and excise department, which has its East African headquarters in Mombasa.

Statements from Tanzania that Tanzania and Uganda were to keep the Community in operation for those two countries are not regarded seriously here. Without Kenya there is little prospect of any of the services operating on an East African basis. The same is now expected to happen to the customs and excise department, which has its East African headquarters in Mombasa.

The closure of the land border between Tanzania and Kenya last February was probably intended to cripple Kenya's export trade to Tanzania and countries like Zambia, but the effect was much greater than this. It destroyed the economic link within Kenya that Tanzania was prepared to work realistically in joint services with the other East African countries.

Preparing for Mr Teng's public rehabilitation

Peking, June 30. — The People's Daily, the Chinese Communist Party newspaper, today paved the way for the rehabilitation in public opinion of Mr Teng, the former Deputy Prime Minister.

For the first time since the death of Mao Tse-tung last September, the newspaper presented Mr Teng in a favourable light.

Without actually naming him, it described him as a sworn enemy of the "gang of four" led by Chiang Ching, Chairman Mao's widow, who was arrested last October for conspiracy.

The newspaper designated Mr Teng as the "leading comrade in charge of presiding over the work of the State Council at that time". It cited a statement he made during a conference in September, 1975, on scientific and technical work as proof of his vigorous opposition to the "gang of four".

The People's Daily said that he defended scientific researchers who had been carrying on their work "secretly in defiance of the directives of the 'gang of four'".

This leading comrade said in strict terms: those who found themselves slanderously accused of being "white experts" were, on the condition that they benefited the People's Republic of China, much better than those who, although at their posts, did not work and practised factionalism and obstruction.

This was a strong condemnation against the "gang of four" who practised "metaphysics", it added.

Uganda marks centenary of missionaries

From Our Correspondent
Nairobi, June 30

The centenary of the arrival of the first Christian missionaries in Uganda—a party from the Church Missionary Society in England—was celebrated with a public holiday throughout Uganda today.

The celebrations went ahead despite the uncertainty created by the murder of the Most Rev. Janani Luwum, Archbishop of Uganda, in Kampala in February, and the subsequent death of large numbers of Christians.

Mr Teng was stripped of all his posts of Deputy Prime Minister, party vice-chairman and Army chief-of-staff on April 7, 1976. After a campaign in which he resisted the policies of the "gang of four", he had been held responsible for riots which broke out in the Tien An Men Square in Peking two days before his dismissal.

The newspaper had once before, on March 9, referred to opposition to the "gang of four" at that same 1975 conference, but at that time their adversaries were simply described as "leading comrades of the Central Committee" without any direct allusion to Mr Teng.

Observers saw today's article as a decisive step in the rehabilitation process of Mr Teng. Although he has reportedly already made his comeback in the leadership, it must be justified in the eyes of the people before a public announcement.

Several Chinese sources have let it be known in the past few months that Mr Teng was already doing "important work" in the government and that he would be officially rehabilitated at a large party meeting, a plenary session of the central committee or the eleventh congress, expected to take place towards the end of the year.

Since the purges of Mao's widow and her accomplices, Chinese officials have presented Mr Teng as a "victim" at least in part—of the "gang of four", a statement which the official press has never directly made—Agence France-Press.

Crucial Pakistan talks today on election pact

From Our Correspondent
Rawalpindi, June 30

The Government and Opposition failed to agree today on a draft plan to resolve the political crisis resulting from Pakistan's controversial elections in March.

A subcommittee comprising a member each of the Government and of the opposition Pakistan National Alliance, met for three hours without agreeing on the powers of a committee that is to ensure that a proposed agreement between the two sides is enforced and that general elections on October 7 are conducted fairly and freely.

Subcommittee talks were resumed after about a week's interval during which the Government and Opposition at one stage were close to abandoning negotiations, each accusing the other of bad faith. Mr Bhutto, the Prime Minister, had said the Government would not yield to the Opposition's ultimatum and threaten that the Opposition had said its revised draft for agreement was final.

The subcommittee sat today after personal interventions last night by Mr Bhutto and Maulana Murtaza Mahmud, president of the Alliance.

Having failed to agree in subcommittee today, full delegations of the two sides are to meet tomorrow, but the Alliance said it would make no further concessions to the Government.

The Alliance executive has already decided that no further time should be allowed to the Government in reaching an agreement, saying the people were getting restive over the prolonged and uncertain state of political negotiations. Mr Bhutto warned the Opposition on Tuesday that deadlock could destroy democracy in Pakistan and indicated the country might revert to dictatorship.

In the continuing difference over the powers of an election committee, the Opposition asserted that anything short of the measures it proposed would enable the Government to repeat in October the polling the Opposition says was rigged according to the domino theory. It is therefore a crucial one.

Opposition sources said the Army, which at one time came to the full backing of Mr Bhutto in the crisis, was now expected to be neutral, urging both sides to find a political settlement.

Meanwhile, King Khalid of Saudi Arabia is understood to be maintaining his good offices through his ambassador in Islamabad in encouraging a negotiated settlement.

Mr Bhutto's departure today after the subcommittee's talks failed.

Man said to be Amin agent fined in Kenya

Nairobi, June 30. — A Ugandan said to be an agent with President Amin's security agency, the State Research Bureau, was convicted in a Nairobi court today of unlawful possession of ammunition.

Mr. Mohamed Jugai, the transport manager of an import-export company in Kampala, was fined the equivalent of £70 after admitting the offence. He was also ordered to pay costs of £100 and to provide a surety that he was a Ugandan agent.

A senior security officer here later confirmed Kenya was aware State Research Bureau men were operating in Kenya.

—AP.

61 Hungarians jailed for diluting wine

Budapest, June 30. — Sixty-one men have been found guilty by a court at Szekesfeharvar in western Hungary of adulterating wine over a prolonged period, the Government newspaper Magyar Hirlap said today.

Jozsef Nagy Szoke, aged 27, former head of the local wine concentrates plant of the Hungarian export company, was given a maximum 12-year sentence for damaging the national economy. Others received terms ranging from a few months to 10 years.

—AP.

Gandhi team was paid to help sterilization

Delhi, June 30. — Mr Raj Narain, the Health Minister, told Parliament today that close associates of Mr Sanjay Gandhi and senior administration officials had been paid more than £10,000 for helping a Government sterilization drive.

Mr Narain said the money was paid to them for persuading people to undergo vasectomy and tubectomy operations during the 21 months of emergency rule from June, 1975.

He told the Lok Sabha (Lower House) that Mrs Rukhsana Sultana, one of Mr Gandhi's closest assistants, received the highest payment of about £5,500 for persuading 8,407 people to be sterilized.

—Reuters.

Britons held in Laos to be expelled

Bangkok, June 30. — Six foreigners, including three British citizens and three Thai journalists, who were arrested by Laotian authorities last week, have been freed and will be expelled from the country, diplomatic sources said today.

The sources said that Mr John Everingham, aged 29, a correspondent for the weekly For Eastern Economic Review, would be expelled tomorrow.

Mr Everingham's departure will be followed in one or two days by the expulsion of three British citizens, Mr Alistair James Kennedy, aged 22, Mr Ray Francis Oram, aged 26, and his Thai-born wife Soujittra.

—Agence France-Press.

TEHRAN DAILY

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South Africa's immigration figures hit crisis level

From Our Correspondent
Johannesburg, June 30

South Africa's immigration policy took a sharp knock in the first quarter of this year when a net gain—the balance over emigration—of 574 people was registered. The figure in the same period of last year was 11,014.

In previous years, South Africa was used to a net annual immigration gain of between 28,000 to 30,000 people. But the brain drain, coupled with a worsening employment situation, has reversed the trend.

Doctors, accountants, managers and other professional people are leaving the country in droves, official statistics reveal. The only whites arriving in large numbers are Rhodesians, the first four months of this year, according to official figures.

Unemployment is rising by a thousand every working day and now stands at one and a half million.

Professor Arnt Spandau, who holds the chair of business economics at Johannesburg's Witwatersrand University, said today that the country's unemployment figures through estimates based on recognized academic research methods.

Although they may be hotly disputed by the Government, they do not differ widely from estimates previously arrived at by other research sources.

There are no official estimates of unemployed blacks but industry in South Africa normally works on a ratio of ten black workers to one white when the going is good. In the economic recession which has hit the country, this margin is clearly much wider.

Why the Green Paper is not enough

When Anthony Crosland set up the review of housing finance early in 1975, he described the existing system as "a dog's breakfast". The defects have become even more apparent since then. We are spending ever increasing amounts of public money to produce fewer and fewer new or improved houses. More and more of this public finance goes towards holding down the cost of mortgages and local authority rents; less and less goes into bricks and mortar. House prices are artificially inflated; and the public expenditure cost of public sector building is so great that we are building and improving far fewer houses than we know we need.

Yet the Green Paper which finally emerged on Tuesday recommends no significant change in the financial structure. The scope and title of the review has been extended to the whole of housing policy. It makes many valuable proposals; but without a change in the "dog's breakfast" or an improbably large increase in the amount of public money going to housing we shall not begin to meet housing need. The review estimates the scale of this at 2,700,000 new or improved houses now, and nearly a further 2 million in the next 10 years.

The reluctance of the review to embark on fundamental changes is understandable. They would be very difficult to administer, as the Green Paper forcefully argues, though they would clearly not be impossible. The review does not concede the need for change; but the evidence from falling investment in the public sector, and the escalation of house prices, is overwhelming. The real argument against change is political.

Three out of every five households benefit from the present system of indiscriminate subsidies; and although an even larger majority would, I believe, ultimately gain from a change, immediate losers tend to be a much more potent political force than long term beneficiaries.

Despite these difficulties, it is disappointing that the Housing Review has not, at least, set out the guidelines to assist us in moving towards the more rational system we shall ultimately be forced to adopt. Any changes will have to be introduced gradually, preferably over a period of 10 or 15 years; but if we do not start to make them very soon, the problems of acute regional shortages, overcrowding, and of defective or deficient housing will be as bad in 10 years time as they are now.

House prices will probably have continued to rise at a rate much faster than general inflation, and an excessive proportion of the funds needed for investment in industry will, as now, be channelled into financing house purchase.

Tax-relief on mortgage interest enables us to borrow up to 50 per cent more than we could otherwise afford; consequently we can pay more, not only for new houses, but for those already built. As our incomes rise through inflation, our borrowing capacity increases even faster. This is the fundamental cause for house prices rising by 433 per cent since 1960, while the retail price index has risen by only 254 per cent.

In the same period the Financial Times industrial ordinary share index has risen by less than 50 per cent from 319 to around 460 per cent. Although the issue of house shares has to some extent distorted the relevance of that index, those figures help to explain why, over the past 15 years, the average proportion of personal wealth held in the form of dwellings has doubled while the proportion held in company securities, on which pure economic prosperity depends, has halved.

I am not, of course, suggesting that mortgage tax-relief should be withdrawn; but there are strong grounds for arguing that, for each new mortgagee, the relief should be phased off over a number of years, as housing costs decline as a proportion of income.

If we are to solve our housing problems, however, we must also look at the rents for council tenancies. Average local authority rents in 1973 represented 8.4 per cent of average annual earnings; now the proportion is down to 7 per cent, and for higher income tenants the proportion is lower still. There are wide variations; but although the rents charged by some authorities, particularly in London, are high, in others they are unjustifiably low in view of the extent of inner housing need. As a result, the public expenditure cost of each new council house or flat is so great that building programmes have been drastically cut. Though the subsidy changes proposed in the Green Paper will enable additional help to be given to authorities with heavy burdens, and reduced in areas of less need, the commitment by Mr Peter Shore to keep rent increases broadly in line with rises in money incomes will seriously weaken the effect of any change. Areas with very low rents should be covered, by the release of central government subsidies, to the solution of problems of the stress areas.

We are at present subsidizing incomes of those—both mortgagees and tenants—who are adequately housed doing far too little about those who are not. If we do not tackle the problem now, it will not only be those on the waiting lists who suffer. If house prices go on rising faster than inflation, many families whose housing is satisfactory now will find themselves sharing homes with their grand-children.

Housing policies since the war produced remarkable improvements in living conditions for a great many people, both owners and tenants. There are, however, according to the review, fewer than 1,800,000 households in England and Wales—more than one in 10—circumstances which are just not acceptable by contemporary standards. Council housing policies, involving heavy public expenditure burdens the government, however good its intentions, are likely to meet that need. Council sales would aggravate the problem, and increase the burden on the state. They would not solve the problem, and increase the burden on the state. Council housing ultimately becomes a problem with inflation; but mortgage relief continues indefinitely, and increases with each future sale.

There are no easy answers; and Housing Review has reflected the difficulties, though for understandable reasons. Fundamental changes are politically infeasible until there is a general agreement between the major political parties on the form they should take.

Housing finance policy affects not only our social structure, but the whole economy, through for understandable reasons. Fundamental changes are politically infeasible until there is a general agreement between the major political parties on the form they should take.

The Leader of the House should respond to it now.

Bruce Douglas-Mai
The author is Labour MP for Merthyr Tydfil and Mordun.

Foreign Report

Oiling the wheels of Red Sea diplomacy

At the start of the 1970s the United Nations rated the Yemen Arab Republic (YAR) "one of the most underdeveloped of all the world's underdeveloped countries". But since the present government took over on June 13, 1974, after a bloodless coup d'état by the Army, there has been an economic boom as rapid as that of any oil state.

The prime mover behind this economic progress is Saudi Arabia. But for Saudi aid the YAR would still merit its UN rating, the Government would be bankrupt, and the country in general would be almost as medieval as it was until 1962 when the last theocratic imam was expelled.

Saudi aid covers the budget deficit; it provides civilian aircraft for Yemen Airways and cheap oil; it pays for a road-building programme of 500m Yemeni rials (about £65m); and in a recent deal with the United States, Saudi Arabia undertook to spend about \$150m in equipping the YAR's armed forces.

But Saudi aid is rarely given without the expectation of some return. The YAR is crucial for Saudi Arabia—and for the other oil-producing states of the peninsula—because of the domino theory of communist spread—because of the communist presence in the People's Democratic Republic of Yemen (PDY), the YAR's other neighbour. Saudi aid is lavish and will continue to be lavish so long as the YAR Government remains moderate and mildly progressive. Were it to be taken over by a left-wing government and the two Yemens to unite, the soft underbelly of Saudi Arabia would be naked. That was the supposed aim behind Nasser's partition plan between 1962 and 1967 in the civil war in the YAR. A communist guerrilla war waged out of a united Yemen would be sterner stuff than the recent affair in the Dhofar province of Oman.

Because of this increasing influx of financial aid the YAR is in a state of unprecedented prosperity. No oil, however, has been found, although drilling is taking place off the Red Sea coast. Nor does the country export much—a few hides and skins, some salt and coffee. There is also the staggering effect on a third-world economy of the remittances sent home by the millions of Yemenis working abroad. Most of them are employed in Saudi Arabia and the value of the remittances they send home is estimated by official observers at approximately \$3m a day or \$1,000m a year. The YAR may be "underdeveloped"—lacking in roads, factories and social services; but it is quite certainly not poor.

This financial assistance has had its effect on the agriculture of the YAR. Although much of the country is fertile there is diminishing incentive to farm subsistence crops when every import is paid for by foreign aid. In consequence cultivable areas are increasingly given over to "gum", the narcotic shrub, for local consumption. Gum prices have soared in recent years and it has become the principal cash-crop.

Altogether the YAR now is probably more stable and prosperous than it has ever been since it was Arabia Felix and thriving on the frankincense trade with Pharaonic Egypt. However, some contingency planning has been done in Saudi Arabia in the event of a left-wing takeover in the YAR capital of Sana'a. In this the terrain of the YAR provides assistance: The northern highlands are ideal for guerrilla warfare (there is only one macedonized road in the area). Whereas the south and the Tihama coastal plain are controllable, the north is mountainous and the population lives in remote and scattered villages, admitting no real authority save that of their tribal leaders.

Saudi penetration started in 1934 when force majeure and the Treaty of Taif gave Saudi Arabia control over the province of Najran and Jizan, to which Yemen has justifiable claims. Now the governor, Najran, Khalid al-Sudeiri, through his own initiative and with his own funds, cultivates the support of the northern Yemeni tribes. A radio station, it was unofficially reported recently, has been offered to Abdullah al-Ahmar, paramount sheikh of the Hashid tribal confederacy. In other words the Saudi influence is observable. Registered vehicles in the north and north-east of the YAR are usually Saudi registered; there the Saudi rials not the Yemeni rials is the prime currency.

This strategy of sowing the seeds for potential buffer-state between Sana'a and the northern border is well in accordance with the lessons of history. The tribe north has always been a near-autonomous area. Neither the Egyptians nor the Turks during their various periods of occupation of Yemen ever subdued it.

The YAR government's control over its southern border however is unquestionable. The recent resistance in the south around the Damat area, where rifles and mines had been supplied to the locals by the PDY, was ended last year after peace initiative by YAR President Ibrahim al-Hamdi.

Politically and strategically therefore the West needs an open and stable YAR for Saudi Arabia's security. Quite apart from this consideration there is also its cultural heritage—the ruins of the Minaeen, Sabaeen, Qatabanian and Himyaritic civilizations lie buried under the sands of time awaiting excavation and scientific research. It would be a cultural disaster if the YAR again became a closed country or the scene of another civil war.

Scyld Berr

Why do some sleep less?

Deprive a man of sleep for 48 hours and he will think of nothing else: it is our most basic biological appetite. The need for rest, repair, and recuperation for the brain seems as obvious as the need to refuel the body; yet there is still no clear biological explanation of our regular demand for eight hours retreat into unconsciousness every night.

Is there any possibility that we might find a way of doing without sleep? Sleep researcher Dr Ray Meddis believes that we could find a way of sleeping much less and possibly not at all. His theory, described in *The Sleep Instinct* (Routledge and Kegan Paul, £4.50) is that sleep is a primitive survival from our animal past that serves no vital biological purpose in modern man. Sleep, says Meddis, is a spare-time activity. In the animal world the time spent sleeping depends directly on the time required for essential tasks—finding and eating food, grooming, mating, and looking after the young. An animal with time left over might be tempted to wander around, investigating anything which caught its attention. Sleep provides such animals with a safe alternative which keeps them out of harm for as many hours as possible in every 24; and this pattern of behaviour has an obvious evolutionary advantage. Years of evolution have encouraged "successful" animals to find safe places to sleep, and indeed they will sleep only so long as they feel unthreatened, hidden away from possible predators.

A fox in its lair or a rabbit in its burrow will sleep as long as it stays there. In general, carnivores such as cats sleep long hours—perhaps 14 hours a day—while animals such as horses and elephants whose diet is nutritionally less concentrated may need to spend 20 or more hours a day awake browsing and chewing. Sometimes seasonal demands vary: birds sleep far less while feeding their young, and their need for longer daylight hours is part of the explanation for their summer migration to polar latitudes.

Once sleep is seen as a behaviour deeply ingrained by instinct rather than a biological necessity many of its apparent anomalies can be explained. Individual requirements vary enormously; while there are no fully authenticated cases of people who never sleep there are many who need only two hours or less sleep. Such a range of variation is not found with other physical necessities such as food. There are often prominent politicians—Mrs Thatcher and President Carter are examples—who seem to be able to function on only four or five hours a night, and it is easy to see how valuable these extra hours could be in a demanding occupation.

After a long period without sleep the compensation required is less than the sleep missed—one "good night" seems to make up for two or three nights with less than half the normal hours sleep. Sleep requirements cannot be calculated, like food requirements, on mathematical formulae based on physical size and activity; they are unpredictable on any objective measurement. The desire to sleep is influenced more by the time of day than the length of time spent awake; it is very easy to get to sleep early in the morning no matter how poor the night's rest.

Dr Meddis claims that the balance of evidence suggests that sleep is far less necessary than we believe. He admits that as yet no one has found a way to help us do without sleep; he argues, however, that we may all benefit if we can discard the belief that eight hours sleep is as much a physical necessity as the vitamins in our diet. We need, he says, to find a way of increasing the proportion of non-sleepers in human society, persuading individuals that they are not necessarily in need of medical treatment, and of changing the emphasis of medical research into sleep disorders.

His is a minority view. Orthodox research theories still see sleep as vital for the brain; during the active, "paradoxical" periods in which we are dreaming the blood flow through the brain is speeded up, its heat output rises, and the likely explanation is that these are signs of protein synthesis. Certainly this type of sleep is most prolonged in children at the time of maximum brain growth. Quiet, dreamless sleep is thought to be similarly essential for restoration of the other major organs of the body. But there is no easy answer to Dr Meddis's central question: if some of us can function perfectly on two hours sleep in 24, should it not be possible to find a way for the rest of us (if we want to) to do the same?

Dr Tony Smith

The Times
Special
Report

Cricket

By Richard Streeton
CHESTERFIELD: *Derbyshire, with nine second innings wickets in hand, are 201 runs behind the Australians.*

**Richards hits 21 fours
six sixes for Somerset**

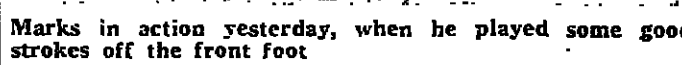
NOTE: Sussex, with seven second
innings wickets in hand, are 143
runs behind Somerset.

CANTERBURY: *Middlesex won by two wickets.*

Middlesex earned a second round Gillette Cup meeting with Warwickshire at Lord's after an afternoon with rain. Kent at Canterbury with one ball to spare. It took only 45 minutes to decide the issue yesterday but it

Edmonds batted sensibly, picking the right ball to hit, until he struck out with a fly ball.

then Rome set about Hemmings, whom he struck for three consecutive times, after which he was careful not to strike him again. A careful start, also began to creep steadily. Jackman has always been a fast runner, and in the average nearly 161, but it is usually when he is carrying a major responsibility, as he was yesterday, that he is at his best. Had he got out early, he



By John Woodcock
Cricket Correspondent
LORD'S, Cambridge University

The Cambridge batsmen were
 very good. Captain CAMBRIDGE took
 the wickets of Pathmanathan,
 Cloughton and Marks, and Oxford
 scored 108 runs. Pathmanathan set
 it going with some spirited hooking.
 Cloughton did what he could
 to get things behind, and Marks
 played some good strokes off the
 front foot. Howat and Greis
 opened the Cambridge bowling.

Second Innings	
V. K. Posh, b-o-w, b Gurr	17
A. W. Greis, b-o-w, b Gurr	16
P. W. G. Parker, b Gurr	1
A. H. Reebuck, b Gurr	1
Extras—lb-2	2
Total—2 whites	37
P. W. G. Parker, J. A. Greis, S. P.	
Gurr, V. K. Posh, b-o-w, b Greis	5
Poshwell, M. Howat, M. Allbrook	2
TOTAL OF WICKETS.—1-6—2-4	

was bowled off his pads. Tavaré had played the most leisured

from the young Cornish Wrecked
Richards, his partner, who
must have pleased the Queen,
taking her tea with the head
waiter, if the news was passed on.
Surrey declared when they reached
the hotel that he had been told
there was some disappointment in
the crowd that the derelict Jackman
of his SU, but he is not the kind

a completed innings.

A report from Turner, there were
only four shirts from
Worcestershire.

CLAMOROUS: First Innings, FLO
overs, 99 for 2-141; G. Cleveland 10
no. 64;

Second Innings

J. A. Bocking, 1st Inning, 76
J. A. Bocking, 2nd Inning, 76
D. O'Donnell, 1st Inning, 76
D. O'Donnell, 2nd Inning, 76

Not out, A. T. Kanichromath 50	157	Worcestershire: first innings
Second Innings:		
D. J. Ames, not out 15		G. T. Turner not out 131
R. N. Abbottley, b-w, b Black 10		B. J. P. Jones, b-w, b Nash 10
J. Whitehouse, not out 10		

Victoria next year on a football ground converted for cricket by the use of portable wickets.

الحسين

Friend given shooting lease by squire cleared of 'undue influence'

[illegible]

CAMDEN PLAZA, Camden Beach St., N.W. 1. 1000 Camden Town-Tube)- 485 3443 Claude Chabrol's new film **UNE PARTIE DE PLAISIR (Love Match: X) Progs. 2.30., 4.35.**

the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is projected to increase to 1.7 billion by the year 2015. The number of illiterate people in the world is projected to increase to 1.7 billion by the year 2015. The number of illiterate people in the world is projected to increase to 1.7 billion by the year 2015.

dispute

men now work
inter-productiv

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What chance is there of Mr Steel's shopping list of demands being met?

The Liberal gamble with Labour: and why it looks unlikely to pay off

It is easy to see why Mr Callaghan wants to renew the Lib-Lab pact; he is anxious to avoid an election this year and next year, too. But are the Liberals acting in their own best interests not only in seeking to extend the pact for another session but also in setting such an apparently high price for doing so?

I was among those who believed that they were taking a justifiable risk from their standpoint in forming the pact three months ago. They had three options. They could have helped to bring the Government down and precipitated an election in which, despite all their protestations of optimism, they would probably have done very badly. In party terms, that would have been foolhardy.

They could alternatively have continued to give what support was necessary to allow the Government to survive without coming to any kind of open agreement. That would have avoided the danger of an election while permitting the Liberals to continue gathering the protest vote.

Their hands would have remained unsoiled by responsibility. But they would still have been blamed for keeping an unpopular government in office and would have stood no chance in this way of changing the pattern of British politics—which must always be the hope of a party whose prospects seem so gloomy under present conditions.

The third option was to agree to sustain the Government on terms that were designed to give them influence over government actions. There were both negative and positive arguments for taking this course. In the first place, their position would have remained—pretty hopeless if they had done anything else; to a man lying flat on his back on the floor the danger of falling does not present the greatest threat.

Secondly, there was always the chance that the pact would shake things up a bit—just possibly helping along a realignment of the left for which Liberals pray, or at least encouraging tactical votes from Labour in seats where the Liberal ran ahead of Labour last time. It was worth a go.

But the evidence to date suggests that the gamble has not worked. The Liberal candidate has fared disastrously in every by-election since the pact was formed; the party has slipped even further in the opinion polls; and the general impression is that the pact has not given the Liberals much effective influence over government.

Why renew it then? The most powerful argument for doing so from the Liberal point of view is that they would have the worst of both worlds if they were to stop now. They would stand no chance of deriving any of the possible benefits and they could

still expect to be mauled in an early election. But if the pact is to continue the Liberals need to extract more from it. They will in any case get the blame for keeping Labour in office, so they must try to obtain some credit for having an impact on policy. That is the justification for setting the terms high. Indeed, I believe that the danger for them is that the terms might turn out to be too low rather than too high. Their nature is not to be deterred by peering earnestly at Mr Steel's shopping list of 10 requirements.

The Liberals are not likely to insist on every one of them being met, and in any case the critical question is not the range of demands but how precise an obligation they would impose on the Government.

A number of items on the list are phrased in very general terms and the Liberals would be satisfied with some pretty general assurances in return. For the most part that is realistic. It would be foolish for a party that wants action on industrial democracy, for example, but does not like the Bullock package to formulate too detailed requirements at this stage.

But the more general the assurances the more necessary it will be for the Liberals to be involved in the subsequent policy-making if they are not simply to be hoodwinked by Mr Callaghan's sleight of hand.

Up to now the pact has been no more than a parliamentary arrangement in the sense that it has been a means of securing the necessary majorities for the Government in the House of Commons—and it has not always managed to do that. But it has not involved the Liberals in the formation of policy at any deeper level than that.

It is significant that the consultative committee has been serviced by the Lord President's office rather than the Cabinet Office, which is an indication that the pact is not to be used to facilitate the passage of what is left of the Government's legislative programme through the House.

But now with a new parliamentary session in sight the Liberals need to take part in discussions on the substance of policy if they are to have effective influence. That means that the operation of the pact would have to be related to the Cabinet committee system, especially bearing in mind that some of the items on Mr Steel's list straddle departmental boundaries. This would naturally bring in the Cabinet Office.

Mention of Cabinet committees raises certain delicate constitutional questions and it is not clear how far it would be possible to link the junior partner in a halfway arrangement like this pact, which stops decisively short of coalition, with these com-

mittees. But it would be no bad thing to sweep away some of the mystique that surrounds them. At any rate, one of the critical tests for the Liberals of a pact with Labour would be how far the arrangements provided for a deeper involvement in the formation of policy.

There is another aspect to that. The Liberals have, with some exceptions, shown themselves to be unequal to sustaining a serious dialogue with ministers backed by their departments. That is partly a matter of men—and there is not much the Liberals can do about that—but also partly a matter of servicing.

Mr Steel, for example, has only two research assistants and three secretaries to confront the might of the Civil Service. They will want better servicing, which would presumably be provided without constitutional difficulty by providing more staff for the consultative committee rather than for the Liberals directly.

Even if all these points are met there will remain a basic contradiction for the Liberals in the pact strategy. They hope that it will be a path towards the ultimate realignment of the left, which requires a split in the Labour Party. That is far more likely to occur if Labour suffers a humiliating defeat. Yet there needs to be a recovery in Labour's fortunes if the Liberals are not also to endure a shattering defeat for keeping them in power.

The contradiction might be resolved in the next Parliament if Labour recovered just so far as to permit the Liberals to hold the balance. They would then hope to form a full coalition with Labour, which would impose great strains on that party's cohesion.

There are many "ifs" about that kind of calculation, but the least of which is the Liberals' capacity to attract enough support as the party that kept a Labour Government moderate. Now that they have some responsibility for policy they must have much less attraction for those who are simply fed up with everyone else.

The logic of the pact is that the Liberals must rely on their positive appeal—which must be rather damning thought if one remembers where their votes have come from in the past. There is also the danger of an indecent stigma of failure attaching to the pact and the party, especially if Saffron Walden does not live up to Liberal expectations.

The odds must therefore be against their hopes from the pact being realised. But then the logic of the Liberal position is that the odds must always be against them under present conditions. All they can do is to put their faith in defying the odds.

Geoffrey Smith

Are the Gospels a 'myth'?

Very few people any longer believe the Old Testament to be literally true. On the other hand, popular reaction to Zeffirelli's recent film *Jesus of Nazareth* shows that there is strong attachment still to the idea that the New Testament records literal history.

This may be the popular view, but it is no longer widely held inside the churches. Instead, there is now general recognition that each of the four Gospels is a strange mixture of fact, history, legend based on actual events, invention for the sake of argument, and subjective interpretation on the part of the author. To use the technical expression now in vogue in theological circles, it is myth.

Inevitably pursuing their insights to their logical conclusion, theologians have turned to asking whether the fundamental tenets of Christianity are also myths: is the Trinity a myth, is the doctrine of the incarnation of God in Jesus Christ a myth and inevitably also, once the question has been asked in this way, the answer has to be yes.

Is it a revolutionary answer, striking at the very roots of Christian faith and undermining Christianity's claim to credibility among reasonable men?

The presentation of the argument in popular form in *The Myth of God Incarnate* (E295) published by SCM Press today, seems to indicate a deliberate, almost show-business desire to shock the general public. The publicity has been provocative, as if the theologians had grown impatient with failing to each other and jumped at the chance of addressing themselves to the world at large.

In so doing they run the very large risk of being totally misunderstood. The essence of the problem is in the word "myth" itself.

The most distinguished of the seven theologians who have compiled *The Myth of God Incarnate* is Professor Maurice Wiles, Regius Professor of Divinity at Oxford and recently chairman of the Doctrinal Commission of the Church of England.

In words which are not likely to be widely remembered as the row about the book unfolds, he explains what they mean by "myth". They do not, after all, mean a fairy story, for a myth can be true.

The popular understanding of the word, he writes, is of something delusive, a kind of mirage, something that leads people

astray. A religious myth, as they understand the expression, can be true or false according to the truth or falsity of the ideas that the myth is being employed to convey. A myth can have a variety of meanings at different levels, like poetry.

The classical Christian doctrine about Jesus, most notably in the Creed, speaks of him as the incarnation of God, someone who was simultaneously true God and true man. Countless generations of Christians have repeated such words endlessly, content that they were true even if they were at the same time incomprehensible.

These theologians are now saying that the time has come to break through the shell of incomprehensibility, in the hope that this will give more meaning to the story of Jesus by stripping away the myth to reveal the essential ideas behind it.

Professor Wiles expresses the truth behind the myth of the incarnation by affirming two things: "That his own life in its relation to God embodied that openness to God, that unity of human and divine to which the doctrine points; and secondly that his life depicted not only a profound human response to God, but that in his attitudes towards other men his life was a parable of the loving outreach of God to the world."

That, for him, is what the myth of the incarnation means, and in that sense he believes the myth to be true. The difficulty of course is that he has created another myth, this time in contemporary language.

The real focus of this controversy is not, therefore, the ambiguous use of the term "myth". It is whether contemporary restatements of beliefs about Jesus cover all the necessary ground. It is not difficult to imagine a Jewish scholar being able to endorse Professor Wiles' restatement, and it would be highly acceptable to a Unitarian. Even a humanist agnostic could go most of the way with it, though he would want to interpret the "myth" of God in a rather different way.

But Christianity, whether seen from the inside or from the outside, has consistently been something more than about Jesus than any of the seven theologians who are today publicly unpacking the incarnation myth to see what it contains.

Christianity has said that Jesus was unique, and in a quite different way from the way that, say, Shakespeare was unique. Uniquely unique, in fact, and not in some mythical sense but as a mathematical certainty.

If the term "Christianity" itself is to have a precise meaning, beyond the reach of theological controversy, that must surely be it.

Clifford Longley

Religious Affairs Correspondent

Exhibition the tourists may not understand

Where, in central London, can you visit a coal face, drink Palo Corrado (Croft's special jubilee sherry) with a venetianer and watch Alex Park (and a Leyland motor car) avoid Goofy and Mickey Mouse?

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As the exchanges developed, my informant at the conference reports, it became unquestionable that the directly-elected Parliament, flushed as it may be with the democratic support behind it, will be required to take guidance on salary and the rest from the Council of Ministers—in other words, the executives of the national parliaments.

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The death of Magda Lupescu, mistress—and at the end of his life, wife—of King Carol of Romania, recalls a vanished world of Balkan intrigue. As a valdication, I offer a verse that was current at the time of her fame:

So here's to Madame Lupescu, Who came to Rumania's rescue. It's a wonderful thing, to be under a King. Is democracy better? I ask you.

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One man's testimony to fading hopes...

Dr Zdenek Mlynar lived for first six months of this with uniformed policemen in Prague. All visitors to identify themselves, answer questions. Many sent away, including practical foreigners. He was told everywhere he went, "As he talked to—even son who merely asked him to—was interrogated and searched."

His flat was bugged on telephone was either bugged out of order. A police car outside the door of his home. He had no income, a help from friends. He signed Charter 77, which for civil rights in Czechoslovakia, he was sacked from modest job as an enrolment in the Prague museum.

Just over two weeks ago he reluctantly agreed to sign and now has a job as a biologist in Vienna.

In 1968 Dr Mlynar, then 38, was in the top ranks of party leadership. He is a palaeontologist (entomology just a hobby). He was one of the brains behind the red programme of Mr Dubcek, resigned his functions after Soviet invasion of Aug 1968, and was expelled from party in 1970. He remained central figure in the "dissident opposition", a loose group of people still hoping for chance to reintroduce reforms in a modified way.

Until recently he was so of as a possible new president. He had decided to permit this way of Czechoslovakia's impasse.

In political terms he is the most important figure to have come out of Czechoslovakia since 1968, and his decision to do so is a sad testimony to fading hopes.

On a visit to London to publicize a thick and devastating dossier on Czechoslovakia he spoke to me, and later a press conference, about how had come to see the need for a general re-examination.

In 1968 he had been criticised primarily with reforming the system from above through changes in the party. He had been criticized for wanting to put limits on the press to protect the system against Soviet intervention. Until last year he still hoped that some kind of limited reform might be possible. He wrote a long book outlining his idea, which seems to have been addressed at least partly to the Kremlin.

He thought the development of west European communism would make it possible to reopen examination of the Czechoslovak problem, and that the Russians might be given an opportunity to save face by blaming the invasion on bad advice or false information from people such as Her Ullrich, East German leader at the time, or Mr Gomulka, then Polish leader, or M. Shelest, since removed from the Soviet Politburo.

The manuscript was confiscated by the security police and does not know if it ever reached the Kremlin. In the meantime Soviet policy has hardened, and is still hardening. Nevertheless, he thinks the Russians still face a basic choice between relying on military force or seeking some kind of accommodation with politics realities in eastern Europe where he says the regimes live like parasites off the system preventing them from developing politically, economically or ideologically.

The Czechoslovak regime, he says, has practically no support in the country, which is why it is too weak to risk liberalization. Its fear of words show how weak it feels.

Dr Mlynar says that Charter 77 made former communists understand better the need for freedom. He now feels the most important thing is democratization from below. The struggle must be for a situation in which people have a chance to say what they want. Only then will they discover which parts of the communist system—such as nationalised industries—they wish to keep.

Like the Italian communist he says he is willing to accept the possibility of a communist party being defeated in a free election.

Richard Davy

THE TIMES DIARY / PHS

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92, is Karavina. Together with Nijinsky, Pavlova and Mari Balina, she made up the starring company which turned the Diaghilev production of the 1909 into one of the masterpieces of the century.



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THE BROOKINGS CONSENSUS

The unusually quiet meeting of the European Council, which rounded off Britain's six-month presidency yesterday is likely to be remembered chiefly for the statement on the Middle East issued on Tuesday. The statement is clearly a close relative of the one which the foreign ministers of the Nine approved, but decided not to publish, as long ago as January 31, and which was subsequently leaked to the Cairo newspaper *Al-Ahram*. Like that one it proceeds, after recalling earlier statements on that subject, to affirm that "a solution to the conflict in the Middle East will be possible only if the legitimate rights of the Palestinian people to give effective expression to their national identity is translated into fact", but this time the sentence concludes with the words "which would take into account the need for a homeland for the Palestinian people".

The Community has thus aligned itself closely on the position of President Carter, in whose pronouncements on the Middle East the phrase "a homeland for the Palestinians" has become something of a leitmotif. In January 31 President Carter had only just taken office, and Mr Cyrus Vance was about to make his first tour of Middle Eastern capitals. The new Administration's policy was as yet unformulated and several European governments—namely those of Britain, the Netherlands and West Germany—were persuaded by discreet American representations that a public pronouncement from the Community at that stage might complicate Mr Vance's task. But it appears that after his meeting with Mr Rabin in early March Mr Carter became convinced that Israel would have to be softened up by a series of public statements if there was to be any hope of bringing it round to the kind of settlement which even the most moderate Arabs would accept.

On this as on other issues, the President has sketched out his policy in a somewhat impressionistic manner, constantly retouching the picture and

appearing at times to contradict himself. As the emphasis has shifted, the hopes of Arabs and Israelis have alternately been raised. But a coherent and balanced whole has gradually emerged, which bears a close and certainly not coincidental resemblance to the report produced in December 1975 by the Brookings Institution study group. (The group included two men who are now among the President's senior foreign policy advisers: Dr Zbigniew Brzezinski and Professor William Quandt.)

Among the conclusions of the Brookings group now reproduced as part of what appears to be a Carter Plan are the following:—

- replacement of the "step-by-step" process by the negotiation of a comprehensive settlement;
- withdrawal to agreed boundaries and establishment of peaceful relations to be phased over a period of years;
- peaceful relations to be understood as including "normal international and regional political and economic relations";
- Israel, to withdraw by agreed stages to the June 5 1967 lines with only such modifications as are mutually accepted;
- Palestinian acceptance of Israel's sovereignty and integrity within the agreed boundaries in return for recognition of a Palestine entity, whether independent or "voluntarily federated with Jordan but exercising extensive political autonomy";
- the principal new elements introduced by Mr Carter into the Brookings scenario are a strong preference that the Palestine entity be created within Jordan rather than as an independent state, and the suggestion that Israel might be allowed to retain defence lines beyond the borders within which her sovereignty would be recognized. Both these points proceed partly from a desire to meet anxieties about the Brookings formula expressed by Israel and her American supporters, but the preference for a "Jordanian" solution to the Palestine problem may also reflect a change within the Arab world. The PLO's defeat by

Syria in the Lebanese war has encouraged several Arab states to urge the establishment of political links between Jordan and the PLO and makes it more likely that the PLO will eventually agree to accept this.

The Arab states will less easily accept a permanent Israeli military presence on the territory which is recognized as theirs. Mr Carter seems to realize this, and has been further adjusting his formula. Thus Vice-President Mondale, in his important San Francisco speech a fortnight ago, spoke of "separate lines of defence or other measures that could enhance Israel's security", and mentioned the existing arrangements in Sinai and the Golan Heights (ie, UN-supervised demilitarized zones with or without American-managed early warning stations) as examples of the sort of thing he had in mind.

All this belongs to a quite different world from the views of Mr Menachem Begin, Mr Carter and his advisers, like the rest of the world, were taken by surprise by Mr Begin's election victory and appeared at first uncertain how to react. But the cool, firm tones which are now again being heard from Washington suggest that they have come to the conclusion that their world, the world of the Brookings Report, is the real one in which Israel, even led by Mr Begin, has somehow to find its place. The alternative is to leave Mr Begin in his dream world of "liberated" Israeli territories (the West Bank and Gaza) in which more and more Jews are to be encouraged to settle—a course which is bound to lead sooner or later to another war.

The United States does not want that. The European Community does not want that. Nor do any of the "front line" Arab states want it. Mr Begin, who is to visit Washington later this month, thus finds himself facing an unpromising consensus among Israel's friends and neighbours. That is something of which Israel can hardly not take account.

NEW THOUGHTS ON LONDON

Protestations are not always a safe guide to performance, of course, but out of the current outpouring of official and unofficial comment on the problems of the inner cities some signs of consensus have appeared. It is a consensus shaped partly by a faltering confidence in the effectiveness of grand designs let alone availability of money to finance them, but it gives some promise of political continuity and of improved cooperation between different levels of government. But it is also partly formed by resistance to past errors, and since those errors also sprang from a wholehearted desire to combat the perceived evils of urban decay, it is worth taking care that the new ideas are applied with a close eye to their real effects.

The penitential official line admits the vision of a Wellesian city of tomorrow, with everything orderly and new caused planners to do extensive and expensive damage to existing social and economic patterns. Now the emphasis is rightly on rehabilitation, encouragement of small industry, discouragement of motoways and respect for community structures. On the whole these changes have meant a greater shift of attitudes in the Labour Party than among

Conservatives. The recent Inner Cities White Paper even urges local authorities, seeking to attract industry and commerce to set about it in an "entrepreneurial" way—a novel addition to the socialist virtues.

Tory preconceptions have shifted too. When Mr Peter Shore committed £1,000m of public money to the inner cities recently, the first reaction of his Opposition shadow was to declare that it was not enough. A pamphlet published yesterday by six London Conservative MPs identifies public transport as the key to successful transport policy and even takes up the trendy call for cycle tracks, but on the whole the new consensus fits in comfortably with liberal Tory ideas. The small workshops frowned on by tidy planners are seen as the seedbeds of the entrepreneurial spirit, and the rigidities of public housing policies are seen as among the manifestations of over-government that impel young skilled workers to move away.

The metropolitan vantage-point of the writers seems to give them some misgivings about their party's views on the rights of council tenants to buy their own dwellings. The extremely high cost of land in inner London makes new council house build-

ing prohibitively expensive there. A policy of uncontrolled sales might easily create a situation where lower-paid workers in service industries, who need to live centrally, would have no accommodation available to them except that part of the stock which is so repulsive that no tenant would ever buy it. The writers suggest that councils should merely be encouraged to sell off a third of their stock over ten years at their own discretion.

The general direction of the new consensus is a healthy one. But there are many questions still unanswered by Mr Shore and not even touched on by the six London MPs. Perhaps the most immediate of them surround the proposed cooperative arrangements between central and local government for administering urban programmes. The record does not suggest that these will always run harmoniously or efficiently. And the dispute that has fallen on grand planning is attended by its own dangers of short-term palliatives, small pragmatism, and too little appreciation of the profound and not wholly reversible social changes that are affecting London, Liverpool, Glasgow, and other aging metropolitan areas like them all, over the world.

PRISONERS HAVE THEIR RIGHTS AS WELL

A defendant who appears before magistrates charged with an offence at which he could be sentenced to imprisonment is likely to have the benefit of legal representation. He would have the right to call whatever witnesses he wished and, through his lawyer, to cross-examine prosecution witnesses in his favour. The hearing would be public, and the press would be there to report cases of serious injustice or unfair trial. A defendant himself would usually accept that the magistrates trying the case would act their verdict impartially. A prisoner who appears before a prison board of Visitors for a disciplinary charge can, in fact, be sentenced to a term of imprisonment greater than at which magistrates can impose. The Board, if it finds a prisoner guilty, can order him to lose remission, usually to a maximum of 180 days, in some cases more. The loss of 120 days is the equivalent of a month's prison sentence, of which normally for months he would be served.

In proceedings before a Board of Visitors, however, a prisoner

is not entitled to legal representation or assistance. He can only call witnesses with the consent of the Chairman of the Board. Reluctant witnesses (as many fellow-prisoners might be) cannot be compelled to give evidence. There is no right of appeal to any independent body or court, only the right of petition to the Home Secretary. Perhaps most seriously, it has become increasingly clear that prisoners do not consider the Board of Visitors as impartial and independent. Appointed by the Home Office, they are largely regarded as being part of the prison establishment, closely associated with the prison Governor.

Professor Terence Morris's address yesterday to the State of Prisons conference in Canterbury was not the first time the issue has been raised. In 1975 a Committee set up jointly by the National Association for the Care and Resettlement of Offenders, the Howard League for Penal Reform, and Justice, chaired by Lord Jellicoe, published a report on the functions of Boards of Visitors which recommended, *inter alia*, that serious offences against prison discipline which could be punished by substantial

additional loss of liberty should be heard by an independent body of experienced adjudicators, consisting mainly of senior lawyers, appointed by the Lord Chancellor and not the Home Office. The Committee also called for the proceedings to be governed as far as possible by the normal rules of natural justice.

There are, of course, a number of factors which would make it impossible to duplicate exactly a trial, with all its attendant safeguards, within a prison. The public and press, for instance, could not be there. But when serious disciplinary allegations are made, which could attract a considerable increase in the prison sentence, there is no good reason why, for instance, legal representation and the unfettered right to call witnesses should not be allowed, or why the adjudicating body should not be more obviously, especially to the prisoner, independent of the Home Office and the prison establishment. Proposals on the lines of the Jellicoe Committee's do not amount to being soft on prisoners. They merely give them some—not all—of the rights to which anyone faced with the possibility of a prison sentence should be entitled.

omnivorous seat belt

Dr E. H. Bateman

Would Mr Bryan Magee's June 19 statement that "unbelted drivers are directly responsible for violent killing, blinding and maiming of other individuals" be an unbelted driver, because I had tried driving with-

out a seat belt (purchased 13 years ago as an optional extra) I decided that it would increase the probability of my having an accident. But I insist on my front seat passenger wearing the seat belt, due to the risk of him or her being thrown into the windscreen in the event of an emergency stop with servo-assisted four-wheel disc brakes.

Mr Magee's intemperate and

untenable proposition does nothing to advance the interest of accident prevention which he is so obviously keen to promote.

Yours faithfully,
E. H. BATEMAN,
Sandyridge Cottage,
Upper Bourne,
Farnham,
Surrey.
June 16

New opportunity in Ulster

From Mr John D. Taylor

Sir, In 1972 the Heath Government suspended the Northern Ireland Parliament and introduced direct rule as a temporary measure. Parliament will soon be requested to extend direct rule for yet another year. As always it has been easier to destroy than to build up in Ulster.

However, democracy cannot be held in suspense for much longer in Ulster and luckily a changed political scene both in the province and in the Republic of Ireland presents a new opportunity for the British Government to create a lasting solution to the present impasse in Ulster.

In last month's Ulster local elections 75 per cent of the electorate voted in favour of Ulster's constitutional position within the United Kingdom. Clearly the only two possible political solutions are (1) Devolved government at Stormont or (2) Fully integrated government from Westminster. The former solution is supported by Ulster's four main political parties—the Official Unionists; DUP; Alliance and SDLP.

The British Government has hesitated to introduce devolution as it feared one-party rule and/or the exclusion of Catholics from government. The reasons for these fears have now been removed if one examines the changed voting patterns as shown by the recent local election results. First, although some 40 per cent of the electorate is Catholic, the SDLP only manages to get the support of 20.6 per cent of the voters. Thus, Catholics are voting for other parties and indeed are being elected as representatives for other parties. Secondly, on the basis of the local election results there would be no one party with an overall majority in a 78-seat legislature at Stormont. The largest party would be the Official Unionists with only 25 members and so they would have to form a coalition with other parties such as the Alliance Party which would have 12 seats and a considerable Catholic membership including its leader, Mr Oliver Napier.

The Unionists would not invite the SDLP into such a coalition government as they, contrary to the accepted view, are not a party of the electorate. As the SDLP is not a party of the electorate, Ulster out of the United Kingdom. However, their exclusion is political and it does not prohibit Catholic representation from other parties in a Stormont coalition government as is shown above.

The new Prime Minister in the Republic of Ireland, Mr Lynch, has also expressed himself in favour of a new initiative. The government would be unwise to play shy of the new opportunity to achieve agreed democratic devolution for Ulster. If they fail then Ulster's majority will soon feel that devolution is impossible and redirect their energies towards full integration of the province into the United Kingdom. Six years of direct rule without democratic rights is too long!

Yours faithfully,
JOHN D. TAYLOR, former Minister of State for Home Affairs, Northern Ireland.
Mullinure,
Armagh,
Northern Ireland.
June 28.

Cambridge conspiracy

From Mr George Rylands

Sir, Newspapers thrive on their readers' implicit faith in the adage: "No smoke without fire"; a faith made effectual by the pernicious truth that if you throw enough dirt you can make a mountain.

Your smug and shuffling apology concedes that Donald Beves is entitled to a presumption of innocence, generously giving him the benefit of your doubts. Who told you that he was guilty? What evidence that "he knew them all"? I do not believe it—except fortuitously. Hundreds of Cambridge persons knew one or all of the three. The meaningless phrase is a repeated insinuation.

Were *The Times* to make an ex gratia payment of fifty thousand pounds to the Chapel Funds of King's College or the Fitzwilliam Museum, the evil smear can never be erased.

Beves was an addict of *The Times* crossword and the novels of Agatha Christie. Is this your evidence? Yours faithfully,
GEORGE RYLANDS,
King's College,
Cambridge.
June 29.

From Philip Longworth

Sir, Your second leader today (June 29) makes several valid points about the difficulties of editors in attempting to deal with matters concerning security. Now, having explained your failure to produce evidence in support of your allegations about Beves, perhaps you would be good enough to present the evidence which leads you to reverse your original judgment.

Yours faithfully,
PHILIP LONGWORTH,
38 Canonbury Park North, NI.

Old Morris Workshop

From Mrs Dorothy Silberston

Sir, Professor Wits writes (letter, June 18) that Lord Nuffield had a strong sense of architectural fitness. The Morris Garage was designed to meet his requirements and purpose built for him. In these circumstances Lord Nuffield can hardly have thought it as hideous as Professor Wits does.

Yours faithfully,
DOROTHY SILBERSTON,
Nuffield Place,
Nuffield,
Near Henley-on-Thames,
Oxfordshire.
June 19.

Putting the news in perspective

From Mr Stephen Parkinson

Sir, Brian MacArthur's article (June 29) on selection of news and his comments on the televised clashes at Grunwick were timely. In January, 1958 you published a letter from me about the intrusive dangers of television. I wrote as a post-war labour correspondent who, with the rest of the pack, had been used to reporting disputes unobtrusively, often anonymously, and, may one say, judiciously, weighing and distilling the facts. We applied similar standards on the radio.

But once the TV cameras arrived a new era of instant communication began, and—as one feared—"actualities" instead of bringing out the essential facts diverted attention from them. People in all walks of life became stars, familiar figures in millions of homes if they could capture the attention of the new sensation-seeking mass audience. What they had to say was less important than their projection of themselves, and now, of course, a "TV image" is essential to success and public acclaim.

If some day you could be found of bombing the TV cameras and microphones from the Grunwick works area the attendant MPs, union leaders, college lecturers, students, and other band-waggoners would disappear overnight; the public would lose interest; and the way would be open for calm negotiation.

As Brian MacArthur implies, the real issues and complexities of the dispute are of minor interest, and so besotted is the public with the clashes that nobody notices the absence of any reporting or filming within the factory. Perhaps Mr Ward refuses facilities. If so it is no credit to his case.

There is, however, a deeper danger in Grunwick than the opportunity it affords for vote-catching personal appearances. It has become a kind of national theatre with reporters and stick performers displaying turgid, the power of the mob and the dissolution of social order. The nation stays on tenterhooks to watch the next orchestrated round of violence. This is the real danger. Crime becomes heroic and the people want to see blood. As Mr MacArthur noted, the violence led to massive press coverage, but would it have been blown up so much without the TV coverage?

So the crescendo rose to the stage of requiring statements by the Prime Minister, no less. This is absurd: no-one could claim that the right of workers in Britain to belong to a union is today in such peril that a minor dispute must occupy Parliament and endanger the rule of law. By escalating the affair to the level of a national crisis we play directly into the hands of the mobsters and disruptive political groups to whom persuasion means putting the boot in.

The yardstick for the media nowadays is that the public must be given what it wants and the assumption is that the public wants sensation. This is the real bias of the media—not prejudice or lack of

space—and it is a bias induced by following television's lead.

Yours faithfully,
STEPHEN PARKINSON,
Court Mead, Chipstead, Surrey.

From Mr George Lakos

Sir, Your Home News Editor's article about editorial selection and the reporting of industrial relations interested me greatly, as I used to be a news editor in Eastern Europe a long time ago.

I was amazed to see the wide variety of the free press, when I came to England in 1956. I saw the "roses" of the world press, together with the popular "weeds". The news supply in Hungary was always biased, but not together with the newspapers before they could start a strike in the country under communist government. So when I first saw the British quality newspapers, I thought that their Eastern European counterparts were children's magazines compared with them.

I have admired *The Times* well balanced pages ever since. I used to like *The Guardian* too before its last period, when it became more of a gay guys, unfeminine dailies, and other fashionable groups.

The so-called "popular" papers are mostly really just papers today and not newspapers. Their real bias is giving only the sensation and withholding the hard news.

Mr Brian MacArthur explained why the TV news bulletin must show exciting films rather than talking heads and why it is therefore unable to give balanced views. May I suggest that the TV news should continue to show the films of fights if that is necessary to keep alive the interest, but at the same time the commentator should speak not about the fine details of the fighting, but about the cause of the grievances on both sides. So, for instance, while showing pictures about the Grunwick factory siege, the commentator could tell that the 260 active workers in the factory do not want to be dismissed to any union, but that the 46 sacked students plus demonstrators who travelled from faraway places, wish to show them forcefully that a trade union would be good for them. (If this sounds too strong, it could easily be put right, or a little "left", by the TV editor.)

Popular papers could also continue to show the "so necessary" violent pictures and headlines, but they could write underneath the pictures both viewpoints in one or two sentences for each side.

I think this method would help to give a wider view to millions of people who do not read the quality papers. This could be regarded as a further improvement for the otherwise so great British press.

Yours faithfully,
GEORGE LAKOS,
21-24 Chiswell Street, EC1.

Journalists' closed shop

From Mr Bruno de Hamel

Sir, Philip Kelly (June 29) would like to believe that Bernard Levin is not a typical trade unionist, and he is right. Levin attends branch meetings regularly, speaks at them with moderation but great effect, and works hard as a member of our branch committee. As to his financial qualifications for membership, it must be assumed he satisfies the union's rules on earnings, otherwise he would not have been admitted. What Philip Kelly seems to object to is Levin's success. This is silly and irrelevant.

Philip Kelly goes on to accuse Bernard Levin of intervening in the union, as if to take an active part in union branch affairs was some sort of crime. He goes further, blaming Levin for provoking bitterness and dissension.

Certainly there has been bitterness in the London Freelance Branch of the National Union of Journalists, caused not by Bernard Levin but by those like Philip Kelly who, on us resolutions such as that pledging branch support for the military/communist regime in Portugal, this member, was the gang that month after month defied the people of Portugal's election of a democratic party. It was this kind of thing that provoked bitterness and anger and, finally, the active "intervention" in union affairs of Bernard Levin and hundreds of other working journalists.

In our branch, never so active and well attended as it is today, bitterness and anger persist. Why, you may ask, now that moderates predominate on its committee?

Because whenever there is a resolution calling for censorship of news of which there were four at our last Annual Delegate Meeting—on Northern Ireland, the National Front, South Africa, and Chile—who are those who vote for it, cheering as they raise their cards? Philip Kelly and those of his persuasion on the lunatic far left.

When journalists ponder the issue of the closed shop and who they want as their next General Secretary, both very important in their eyes, they will not, I think, be so foolish as to vote for their own extinction.

Yours faithfully,
BRUNO DE HAMEL,
35 Lennox Gardens, SW1.
June 29.

From Mr Michael Bower

Sir, I am grateful to Bernard Levin for identifying the sources of the statements he attributed to me in his column of June 17 and which he repeated today (June 28).

However, in his never-ending facts-lets-get-on-with-the-smear anxiety to stop me from becoming the secretary of the National Union of Journalists, he has paid little regard to the truth.

His assertions that I refused to be "trapped into negotiating a press freedom code with untrustworthy employers who have no real interest in the subject, and that instead the British Press is not free" are, Levin reveals like a trump card, quotations from an article I

wrote in *The Journalist* two years ago.

Unfortunately, he does not reveal the full context of the article which was written soon after the Annual Delegate Meeting of the Union in Cardiff had debated press freedom, closed shops and related subjects.

What I wrote was: "ADM decided it would not get trapped into negotiating a press freedom code with untrustworthy employers who have no real interest in the subject."

By the very campaign they have waged against the Union—before and after Cardiff—newspaper owners and editors have shown that the British Press is not free; it is in their control and they are prepared to use it exclusively in their own interests."

Having been one of those who actually did take part in the negotiations on a press code—rather than simply standing on the sidelines sniping as did *The Times* and Levin—I have had my 1975 views about the press employers' motives strengthened.

But my letter printed on June 27 did far more than simply challenge the validity of these statements and I note that Levin is unable to comment upon those other issues.

Of course, it is not the facts which matter to Levin. What he is really accusing me of is simply being to the left of Mr Levin. Mrs Thatcher and Sir Keith Joseph.

I am also, I am happy to say, the only candidate unopposed by any support from Bernard Levin.

Confident in view of the agency secretary in Levin's latest publication, that this will be published as speedily as was his reply to me.

Yours sincerely,
MICHAEL BOWER,
National Executive Council, NUJ,
1 St Quentin Drive,
Bradway,
Sheffield.
June 28.

EEC balance-sheet

From Mr Austin Albu

Sir, Lord Kaldor and Professor Neill call in aid Friedrich List to support their argument that Germany should lower its exports to us (by reducing its industrial competitiveness?) or we should leave the European Community. Do they believe that the nationalist protectionist policies advocated for a still divided and unindustrialized Germany in the nineteenth century are suitable for Britain today?

They must spell out their proposals in more detail before their relevance to our present position can be understood.

Have they forgotten that because List understood the importance of a large market for an industrialized nation he proposed the Zollverein? Yours faithfully,
AUSTIN ALBU,
17 The Crescent,
Kew,
Middlesex.
June 26.

House of Lords reform

From Lord Boyd Carpenter

Sir, It is depressing to see in your issue of today that the House of the Labour Party Working Party should be seeking to revive basically the same proposals for a reformed House of Lords as were contained in the ill-fated Bill of 1968. I am sure, Sir, will recall, this measure although included in the Queen Speech and officially in some way laudably supported by the Opposition Front Bench, failed to stand up to analysis when subjected to debate in the House. Comments and founded ignorance as the Committee Stage. Prominent in bringing its many defects to light was a lesser person than the present Lord President of the Council and Leader of the House of Commons.

The basic defect of the 1968 Bill and the present Working Party proposal is the suggestion that voting rights in the House of Lords should be confined to loyal party had selected by the political organizations on the basis of the reliability as voters. All the other members of the House would be deprived the Upper House of being unable to back their voice with a vote. Moreover, the deliberate fixing of the numbers of Peers in relation to the strength of parties in the House of Commons must in the nature of things deprive the Upper House any real freedom of action.

Both the strength and reputation of the present House of Lords is very much connected with the fact that it includes in its membership Peers equipped with unchallenged experience.

Almost every human activity who can and do turn up to speak and vote when matters on which they are expert are before the House. But who do not feel, and any bigwig and a turn up and as a lobby fodder for any political party. It is this characteristic which enables the House to bring unparalleled expertise to bear on public issues without tying it to a rigidly to the disciplines or loyalty of the party system. Whether the Peers who are the source of contribution would really be interested to turn up and contribute when they knew that their view would be voted down by a salary party phalanx is at least doubtful. What is beyond doubt is that such a situation would greatly diminish the prestige and standing of the House. Perhaps that is what the Labour Party Working Party really want!

It would also be contrary to efficient working of Parliament a whole to eliminate Peers by succession. The operation of the hereditary system provides a nucleus of young Peers who give excellent service in what would otherwise be in the nature of things somewhat elderly body. Any one with experience of the press House knows for example how much both Front Benches depend for the routine operation of the House on the hereditary Peers. I abolish them and cut off the flow of young members of the House, deference simply to blind prejudice against the hereditary system would be a highly retrograde step which would again diminish the reputation of the House.

I am not arguing that there are not improvements which could be made in the membership of the House. As I argued during the debates on the 1968 Bill in the Commons, there is a strong case for adding to the ranks of our young hereditary Peers a number of ex officio members and for including ex officio holders of a number of key positions in our society such as the General Secretary of the TUC or the Governor of the Bank of England. But in the present state of our economy and of our country there are many far more urgent directions in which action needed than tinkering with the House of Lords. And even in the constitutional sphere it is better to ignore the interests of the House of Lords and of democratic principle to reform the membership of the House of Commons as to correct the over-representation of Wales and Scotland rather than to flounder about with the House which is really working quite well.

I am, Sir, your obedient Servant,
BOYD-CARPENTER,
House of Lords.
June 30.

The guardsman case

From Mr David Walder, MP

Sir, In 1949 in Kuala Lumpur, a soldier in my regiment, who drank, took and drove away a motor car, was sentenced to a term of imprisonment.

The soldier was almost entirely unknown to me, nevertheless I went by the adjutant, as a junior officer to assist the civil court as a witness.

A kindly Indian magistrate told me that, apart from being able to produce the Record of Service, was quite inadequate as a witness to speak as to character or to offer an authoritative opinion on a future military career of an accused.

Fairly elementary points, surely, customarily dealt with in so detail before courts martial, but seemingly not observed by the Court of Appeal nor the House of Lords in the case of Guardsman Division. Yours sincerely,
DAVID WALDER,
House of Commons.
June 26.

Chico's cry

From Mr Arthur H. Shearing

Sir, Regrettably, I must correct Spike Hughes, who is obviously dedicated Marxian, in his reference to Chico's cry in *A Day at the Races* as being "Tutti-frutti-ice-cream". It is "Tutti-frutti". I am, Sir, yours faithfully,
ARTHUR H. SHEARING,
7 Rose Hill,
Dorking,
Surrey.

AGRICULTURAL PROPERTY

a Special
Report

Legislation preserves land as excellent security

by Michael Hanson

In the past, losses of agricultural land have been made good by growth in farming productivity, but there are now doubts about future growth.

All this is but a prelude to the point that farmland is so vital to our future wellbeing that its attraction as an investment remains undiminished by recent and proposed legislation. The Agriculture (Miscellaneous Provisions) Act, 1976, which extended the rights of succession to surviving relatives of tenant farmers, and the Rent (Agriculture) Act, 1976, which gave security of tenure to farmworkers in tied cottages, are now seen to be elementary extensions of human rights that should do little harm to agricultural prosperity in practice, however much they may seem to in theory.

Landlords still retain some protection

It is true that tenanted land may now be worth up to 50 per cent less than similar land with vacant possession, but this is less a reflection of the effect of the new legislation on rights of succession than it is a restoration of the differential that always used to exist before the boom years of 1972 and 1973, when investors became so anxious to acquire farmland of any kind that it seemed to make little difference whether the farms were vacant or let.

The right of succession to a farm tenancy in England and Wales is not automatic. Close relatives still have to apply to the Agricultural Land Tribunal, which is required to decide whether they are both eligible and suitable, having taken into account any case that the

landlord may have for gaining possession. An application for succession must be made within three months of the tenant farmer's death, and it is possible for a tenancy to pass only twice by succession under the Act.

Most landowners have been happy to allow a son to succeed to his father's tenancy in the past, as long as he is competent as a farmer. This is why the statutory right of succession is less worrying in practice than in theory. The Agricultural Land Tribunal is bound to consider whether a relative is suitable to succeed to the tenancy but, even if the tribunal is lax in interpreting this condition, the landowner still has some protection.

If a tenant farmer fails to comply with the terms of his tenancy, the landowner can obtain possession of the farm. One of the most important terms of a tenancy is that the farmer pays his rent, and it follows that if the successor is not as efficient as the original tenant farmer, he will not be able to pay the rent.

From an investor's point of view, although the right of succession reduces the chances of getting vacant possession, the capital gain that can accrue if and when it does occur is an additional bonus. Even without it, an investment in farmland offers excellent security and a steadily rising income.

The security comes from the fact that, unlike other forms of property investment, farms are almost never unoccupied. There was a time, before the last war, when farming was at such a low ebb that tenants on arable land would sometimes walk off their farms. This is unheard of today.

With this competition for

tenancies it is not surprising that farm rents on the occasion of a tender bid can be very high, far above the average of farm rents. Last year, for example, the average rent reached by tender on new tenancies was £54.17 a hectare (£21.93 an acre), which was an increase of 166 per cent on the previous year. Where the rent for new tenancies was fixed by agreement between the parties, the average was only £36.18 a hectare, but even this was 57 per cent higher than the previous year.

Where farms have an advantage over other property investments is that the rents are reviewed every three years, whereas with shops, offices and industrial

buildings the rent review period is never usually less than five years, is often seven years and may sometimes be every 14 or 21 years depending on how long ago the lease was signed.

Farm rents keep up with inflation

Last year, the average new rent agreed with sitting tenants was £30.45 a hectare, an increase of 42.2 per cent over the previous year. Where the new rent was fixed by arbitration, the average rent was £38.98 a hectare, an increase of 75.8 per cent.

That shows how well farm rents tend to keep up with inflation.

Those are national averages, of course. They conceal the fact that the average rent paid by new tenants in East Anglia as a result of tender bids in 1976 was £102.30 a hectare (£41.42 an acre). With an average price of £342 a hectare (£341 an acre) paid for tenanted arable farmland in East Anglia last year that would suggest an initial yield of more than 12 per cent, but of course this was not the case. A typical initial yield would be 4 per cent, reflecting the greater security of an agricultural investment, and this would indicate a typical purchase

price of £2,357 a hectare (£1,035 an acre) for tenanted land of a quality that would attract a tender bid of £102.30 a hectare.

It is these low yields that have made some institutional investors sceptical of farmland as an investment, though more and more of them appear to be overcoming their doubts as they appreciate that not only do the more frequent rent reviews enhance their yields, but experience suggests that the long-term capital growth of farmland exceeds most other investments. The low price of farmland in Britain compared with other countries is also attracting overseas buyers.

One piece of recent legislation that has had some effect on agricultural invest-

ment is capital transfer tax, which does not perpetuate the 45 per cent reduction in estate duty that used to be given to landowners.

Instead, the only concession under CTT is that full-time working farmers qualify for a certain amount of relief. This reduces the attraction of farmland as an investment for private landowners, though it does not affect corporate or institutional investors, since they do not die.

There are fears that CTT could result in farms being broken up and failing to attract purchasers other than institutions or the state. There are also fears that the attractions of owning agricultural land could begin to disappear if ever an annual wealth tax were

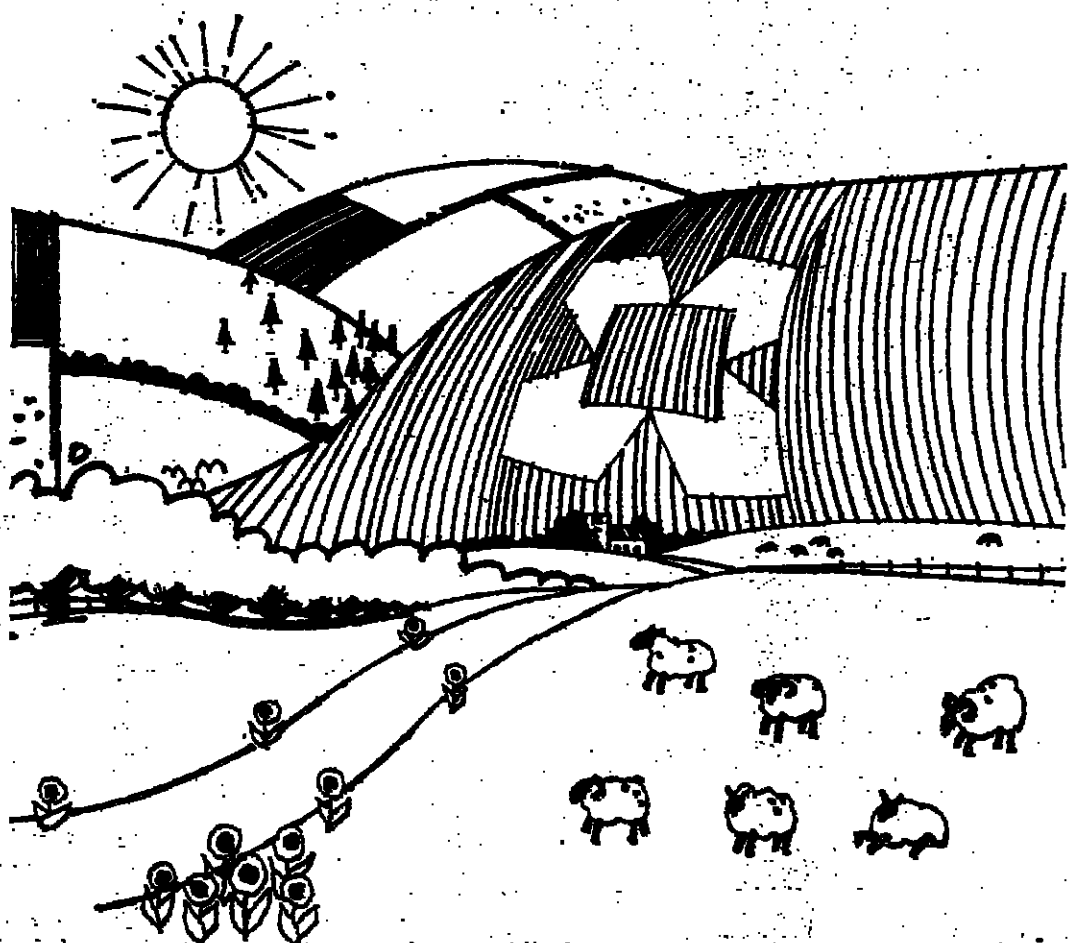
to be introduced, but this has been postponed.

The greatest fear of all, however, is that the Government will nationalize farmland. This has not been taken seriously by many people, perhaps because of the enormous capital cost that would be involved, but as farmland becomes more precious and vital to our survival it is unlikely that there will not be some government interference with the system. All that can prevent it is a realization that the productivity of farming is likely to be greater if it is left in the hands of private farmers and institutional investors.

The author is property correspondent, Country Life.



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A story of steady growth with a warning against too much optimism

by John Clayton

Such swirling publicity has recently surrounded the market in farmland that a restatement of some basic truths is not only necessary, but perhaps overdue. First, the countryside is not being taken over by a wave of European buyers.

Certainly British farms appear comparatively cheap, exchange rates add to the attractions and land is available in Britain in large and well-equipped blocks, but the overseas involvement is only a ripple in the main stream of the market. Undoubtedly some farms are being sold to foreigners, but a sense of proportion is essential: this is after all, only the continuation of a long-established trend in which little interest has previously been expressed.

Second, the influence of the financial institutions is by no means as widespread—or as potentially malign—as critics make out. Undoubtedly the weight of institutional finance for investment is considerable, but the purchasers are selective and their criteria strictly drawn. The Country Landowners' Association's most recent survey indicates that only 6 per cent of the 13,800 acres covered was bought by financial institutions, which hardly argues a rush into land at any price, and quality. Nevertheless institutional activity undoubtedly influences the market. The prices the City pays for what is often the best available land strengthens the overall level, as well as setting the pace in the specialised leaseback and tenanted-estate sectors. And the mere fact that the insti-

tutions are buying—irrespective of what they are buying—underlies confidence in land investment as a whole. So who is buying land, and what prices are being paid? The Ministry of Agriculture figures show that in most transactions the purchaser is an individual—usually a farmer—and not a company or institution. In the year ended September 30, 1976, for example, individual purchasers were involved in more than 5,300 deals worth about £157m; the institutions, in contrast, made 50 purchases valued at £13.6m.

A study of land sales, moreover, often shows the neighbouring farmer as the successful bidder. There are a variety of reasons for this. Despite pleas of poverty so often advanced by the agricultural lobby, farm incomes have increased in both real and nominal terms. And where a farmer is looking to expand because he has excess resources of equipment, labour or management, the extra revenue obtainable from additional land may be very high, a fact reflected in the prices paid.

Scarcity and the unique quality of each individual property also have their effect. A farmer may only have the chance to buy adjacent fields, once he has a lifetime, and the sharp competition between neighbours, so often a feature of farm sales, emphasises that farmland is not a uniform commodity to be viewed objectively, but something which generates an intense personal involvement.

This involvement means that average prices must be interpreted cautiously, for although the averages are the

only reasonable guide, to trends they are themselves an amalgam of individual decisions, some logical, some wildly illogical. The figures in the accompanying table have undoubtedly shown increases since the turn of the year, and are now probably running at more than £800 an acre. Top quality farms are making over £1,000 an acre in many cases, a level which is also being reached for plots bought for expansion.

As the table shows, the pattern of values since 1950 is, with few exceptions, one of steady and sometimes extravagant growth. In only seven years have prices been below those of the previous 12 months, the overall increase during the period averaging 11.3 per cent a year. Using constant (1950) prices, a rather more complex picture emerges: in these terms 12 years show values below or equal to those immediately preceding. Nevertheless, the "constant price" approach indicates an average 5.4 per cent annual increase since 1950, even allowing for the uncharacteristic swings of recent years.

A word of warning, however, should temper any excessive optimism. Although long-term trends have been steadily upwards, it is clear that in the short run values can fall, and that agricultural property is not necessarily the absolute hedge against inflation it is sometimes held out to be. But the more the signs point to an optimistic stability, values have advanced steadily over the past year, but not at the break-neck pace which would lead to an upward spiral similar to that of 1972/73. On the other hand there are no indications of a slump

or, even a temporary weakness; farming profits have been reasonable, the market is balanced, interest rates for borrowed capital have fallen rapidly, and there is a general air of confidence in this type of investment. This is the all-important factor, for it is now accepted that farmland forms a market whose progress depends heavily on a view of the future, and not just the experience of the past.

The author is on the staff of The Estates Gazette.

Farmland prices, England and Wales*
Vacant possession farms (£ per acre)

	Actual prices	Constant (1950) prices
1950	80	80
1	88	80
2	76	66
3	73	62
4	75	62
5	80	60
6	76	60
7	54	54
8	85	61
9	101	72
1960	123	87
1	124	85
2	134	89
3	168	109
4	214	124
5	235	141
6	242	139
7	258	144
8	280	149
9	299	151
1970	245	117
1	262	118
2	596	246
3	757	283
4	636	209
5	539	144
6	734	169

* Source: Farmland Market, Oxford Institute series of values.

Developers prefer to take the easy way out

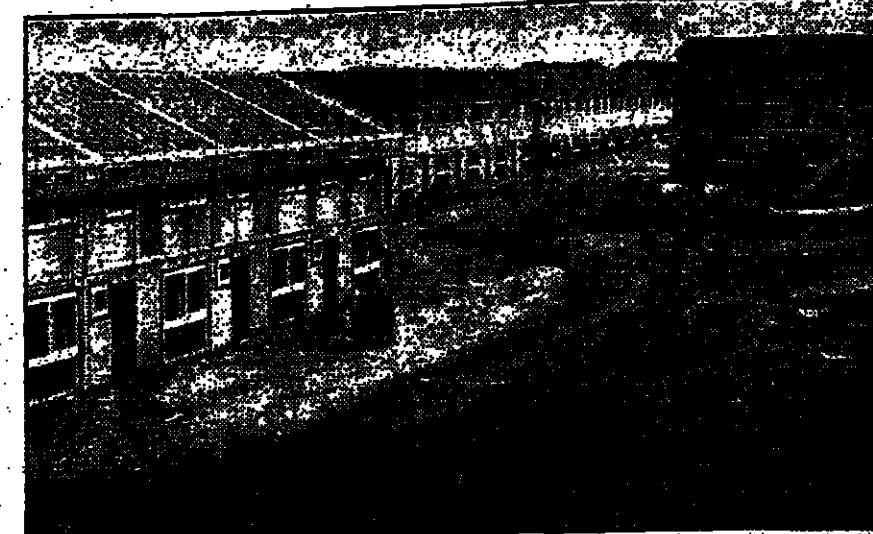
by Hugh Clayton

Few people care about the loss of farmland. Housing, recreation and conservation of wildlife and historic sites are live issues. The safeguarding of farmland against industrial development or other constraints is in comparison a dead one. First, more than three quarters of the area of the supposedly overpopulated United Kingdom is farmed in some way. Second, in recent years higher productivity and efficiency combined with technical advances have raised yields enough to more than compensate for the loss of farmland.

Such facts encourage the view that all is well with the national stock of farmland. A small but influential band wants to shake the spathy and enliven debate about the loss of farmland. After all, if the present rate of loss was allowed to continue there would be no agricultural land left in the United Kingdom after about 400 years.

The band is led by Professor John Bowman, director of the Centre for Agricultural Strategy at the University of Reading. Ministers face numberless pressure groups which call stridently and without ceasing for restraint here, coordination of policy there and changes in direction of policy somewhere else. Professor Bowman's aims have little political attraction. They will not bring down food prices, create more jobs or improve the appearance of the landscape overnight.

His efforts have an advantage over those of competing lobbyists, though. They are guided by Lord Rothschild, who believes strongly in the need for a long-term policy to safeguard national food output. He has helped to bear a path on which Professor Bowman has been able to put the case for farmland to influential audiences.



Houses encroaching on farmland in Kent. Well-drained farmland often sat the urban and suburban population's yearning for green space near its

man expressed a more radical view was not. Departing from his text at a meeting of the university Agricultural Club in January, he said: "Derelict land now in urban areas can accommodate needs for urban development by the year 2000 without taking any further agricultural land." Municipal planners, however, are unlikely to want to develop urban waste-land in a period of curbing public spending. Such development can complicate traffic flows and raises difficulties with underground pipes and cables, not to mention title deeds.

Farmland is much more attractive. It is often flat, usually well drained and almost always uncomplicated. Moreover, in housing developments it more readily satisfies the urban and suburban population's yearning for green space round and near its homes.

Professor Bowman remained uncompromising in his speech. "A less obvious producer of land use policies in this country is the physical sterilization of considerable areas of farmland through the acceptance of diffuse patterns of urban development. Sample surveys recently conducted indicate that as much as 22 per cent of all farmland may be fragmented in layout in areas bordering towns and cities."

He is also worried about the assumption that increases in yields will compensate for loss of land. The rate of increase reached between 1955 and 1973 has not been matched since. Droughts have helped to make sure of that, but there is also evidence of a decline in the measurable results of scientific and technical innovations. He therefore considers that we are taking more farmland out of food production than we need just when we should be striving harder to conserve it.

Planning remains very much an urban affair in which the needs of towns and their industries are given priority in deciding how land is to be used. Data about changes of use are not help-

ful to those who wish to change in use until that if a field is to be turned into a concrete car park fact will not appear on official reference documents until the bulldozers do their work. One of the main aims of those who want to slow turnover of farmland: other uses is to create early warning system which the use of a piece of farmland in food production will be considered in future decisions about its use. Whether that about creation of a new ministry or whether want to give more power to the Ministry of Agriculture, Fisheries and Food is the department that safeguards national supplies. Clearly the tasks overlap and an attempt to draw a boundary between the two will require long negotiations in Whitehall.

It would be inconsistent of the Government not to introduce a new element safeguarding food supply into planning decisions, however. It is committed through its industrial strategy to increasing food production at home in order to ensure that there is enough land on which the food can be produced.

The author is Agriculture Correspondent, The Times

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Pension investment on the farm

by Michael Hanson

If you see a coachload of sober-suited gentlemen driving along an estate road in East Anglia or Hampshire these days, the chances are that it may be the latest batch of investment managers and pension funds about to get a touch of mud on their shoes for a day.

Such is the interest in farmland as an investment that all the leading firms of agricultural lawyers are wooing the institutional fund managers with special visits. Last August, Humbers (which manages some 250,000 acres of farmland) took a party of investment managers to visit one of its farms at Letchworth.

In February, Jones Lang Woodcock took a party round several farms that it manages in East Anglia. Recently, both Knight Frank & Rutley and Strutt & Parker arranged farm visits for fund managers. Strutt & Parker, which manages more than 500,000 acres of land on behalf of its clients, visited Forgo Farm on the Longperish estate at Whitechurch, Hampshire.

The object in each case was to show how well managed are these farms, and it is a fact that in these inflationary times a tenant farmer may be better off having an institutional landlord than a private one. Inflation is the biggest justification put forward for institutional investment in farmland. Over the past years, according to statistics prepared by the Ministry of Agriculture's Agricultural Development and Advisory Service, the capital value of farmland has increased by more than 10 per cent a year while average farm rents have risen by 8 per cent a year compound. The real return on equities in the same period has failed to keep pace with inflation.

As yet, there are no reliable statistics for the institutional ownership of agricultural land, though one estimate is about 500,000 acres. This is only 1 per cent of the 47,300,000 acres of agricultural land in Britain. It is also the same as the total amount of land that changes hands each year. Unfortunately, it is almost certainly a serious underestimate, since two of the oldest institutional landowners, the Crown Estate and the Church Commissioners, between them account for 431,000 acres of agricultural land.

Britain's largest landowners, the Forestry Commission, own more than seven million acres of land, of which about 839,000 acres are farmed. The National Trust owns some 400,000 acres of land, though in this case much of it is not farmed other than by rough grazing. Other institutional landowners of the traditional kind include local authorities, nationalised industries and university colleges.

Clearly, the suggested figure of 500,000 acres is likely only to apply to the holdings of insurance companies, pension funds, property bonds and property unit trusts. There are various ways an institution can choose to invest in land. The traditional way is simply to buy one or more tenanted farms. These are often let at low rents at the time of purchase, giving the investor a low initial yield, but the yield can be improved as the rents come up for review. It is the raising of rents to their full market level that sometimes antagonizes the farming community. If

farmers have been used to benevolent landlords who have been content with low rents, they may feel exasperated by the institutional landlord. But it is often only the institutional landlord these days who can afford the capital improvements that are necessary to enable a tenant farmer to improve his productivity and pay a higher rent.

An alternative to the traditional let farm is for an owner-occupier to sell his farm to an institution at a discount of perhaps 25 to 30 per cent of the market value with vacant possession, and then to be granted an annual tenancy of the farm. The rent will be somewhere near the full open-market value, and subject to review every three years, with the tenant being responsible for repairing and insuring the property.

The advantage of a sale and leaseback such as this is that it enables an owner-occupier to raise capital with which to improve his machinery or equipment, or even to add to the acreage he farms. From the investor's point of view, the immediate attraction is that the initial yield is higher, being as much as 4½ to 5 per cent, whereas the initial yield under a traditional letting might be only 2 to 2½ per cent.

To improve the return on their investment, some institutions have been turning to land with vacant possession, which they can either farm directly themselves (with the help of a farm manager) or in partnership with a professional farmer or a farming company. In the case of a farm partnership, the institutional investor can obtain a return of perhaps 6 or 7 per cent on his capital investment, whereas by direct farming he may make a return of 7 or 8 per cent.

Clearly, the higher the return, the more management responsibility and risk that is undertaken. In the past the institutional landowners have preferred to keep the risks to a minimum, which has also kept the yields down. Now they are experimenting with their holdings. The ownership of agricultural land by financial institutions has come under attack increasingly from many quarters. There are those who take the view that the ownership of land does not really matter; that it is the occupation of land that is important. This is not a view shared by the Country Landowners' Association, which believes that private ownership is important. A view that is also shared by the National Farmers' Union.

The Country Landowners' Association complains that institutional landlords, especially the newer ones, are essentially remote from the tenant, except through the activities of the land agent. Yet, conscious of this criticism, most institutional landlords go out of their way to maintain close and friendly relations with their tenant farmers. The directors of many insurance companies, for example, now tour their farms regularly, just as the Church Commissioners and the Crown Estate Commissioners have been doing for centuries.

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Is ownership important?

by Oliver Stanley

Does it really matter who owns the green and pleasant farmlands of Britain? That question is now so often posed suggests that changes in land ownership patterns are now taking place on an undercurrent, that opposing factions are beginning to take up combat positions.

The statistics are important: only 54 per cent of agricultural land in England and Wales is owned by those who farm it, mostly family businesses. The remaining 46 per cent is tenanted, in ownership of the crown, universities, government departments, financial institutions, private individuals and trusts, who receive as their incomes—not shares of farming profits—but annual rentals from tenants representing, it is claimed, derisory yields on present-day capital values.

At present, the traditional landlord/tenant relationship is coming under regular attack as being in basic conflict with egalitarian beliefs on how the nation's cake should be shared out, or because of old feudal memories. Despite all that, the case for the agricultural landowner can be argued out on economic, social and political grounds.

First economic: having off agricultural land into separate private ownership achieves a supply of valuable capital to the industry at a low annual rate of return. Farming is a capital intensive business, and it is always burdensome for the farmer to provide not only his own working tenancy but also the capital value of his land, likely to be worth at least twice the tenant's working capital.

This is particularly true at the time when a farmer is first establishing himself and when seeking to expand. On the one hand, it is arguable that if landlords were not around, substitute finance would be readily procurable from other sources. This is unproven. Bankers are not traditionally long-term business which is so long term as to span the generations.

Until now, borrowed money has been a trivial figure in the national farming balance sheet, and most working capital is subscribed by farmers themselves. The level of interest rates may have been a persuasive factor in recent years, and there is no doubt that landlords have been content with surprisingly low yields—some 2 per cent to 3 per cent at a time when interest rates have been running at 12 per cent to 15 per cent. Thus a switch of land out of the hands of landlords into the hands of occupiers must increase farming costs, and so in the end increase the price of food in the shop.

The proposition is capable of being tested in reverse. It often seems economic for an owner-occupier to do a sale and leaseback, offering the freehold for sale, subject to a tenancy granted back to the vendor. That would substitute a rent payable lower than the current interest burden. But there are not so many takers nowadays, and anyway other factors intervene. Capital gains tax on sale is a big deterrent and so is the

Dutch treat themselves



Avishayes, Chard, Somerset, bought by a Dutchman for about £230,000.

Like the reports of Mark Twain's death, those of continental farmers buying all our best agricultural land are exaggerated, but there is no doubt that they are in the market for estates of the right kind, and have been active since Britain joined the EEC.

The reasons are not hard to find. Farmland in Britain is comparatively cheap and plentiful. Where the average price of lowland farms in England and Wales is about £816 an acre, according to the Country Landowners' Association, farmland in many continental countries can be two or three times more expensive. Even the best black fenland in East Anglia, costing up to £2,000 an acre, costs far less than land of similar quality on the Continent.

Nor is that all. Although crop yields on the Continent are often higher than in the United Kingdom, the small size of holdings overseas generally makes it difficult to produce subsistence-level incomes. In Britain, the holdings are larger and more economical, making it possible to show yields of between 3.5 per cent and 5.5 per cent on the capital employed.

While there has been a great deal of interest expressed by potential buyers from the Continent, the number of completed transactions is still small in relation to the total amount of farmland that changes hands in Britain each year, though more significant, perhaps, in relation to the total of good farmland that is sold to buyers other than institutions.

The purchases are of two types: farms with vacant possession, bought for occupation, and farms bought as an investment, often on a sale-and-leaseback basis. Most of the buyers come from Holland or Germany, though the Swiss figure prominently, and there have been a few purchasers from Scandinavia. Little interest has been shown by the French, possibly because they have four times as much farmland for almost the same population.

Italians are interested, but they are now severely restricted from taking money out of the country, as are the Norwegians, though this does not seem to stop them. The Japanese have looked at farmland, as they have looked at most examples of property investment in Europe, but it is too far from home. Middle Eastern investors show little interest in agricultural land.

Of all the overseas buyers of farmland, the Dutch have probably been the most numerous so far. They began in the boom and have been buying steadily ever since. Among their recent

purchases has been the Avishayes estate on the outskirts of Chard, Somerset. This 228-acre property, with a fine house, four cottages and a bungalow, and a good set of farm buildings, failed to reach its reserve at a recent auction held at the County Hotel, Taunton, by the local office of Hambro's. Having been withdrawn, the property was sold immediately after the auction to a Dutch buyer for an undisclosed price said to have been about £230,000.

Another Dutch farmer recently paid about £150,000 for the 182-acre Wappingthorn Farm at Steyning, West Sussex, which local estate agents had been sold on behalf of Broadland Properties. The farmhouse and model farm buildings were designed in 1928 by Maxwell Ayrton, father of the late Michael Ayrton, the sculptor. By today's standards, however, the farm buildings are thought to be old-fashioned, being situated too far away from the house for the buyer's liking.

Savills acted for the buyer, who is not anxious to disclose his identity. They say he was already farming about 70 acres in Holland, which he has now sold to come to England.

It is not just the farmland that attracts continental buyers. Often it is the British way of life, with our Government and taxes seeming more benign than those they choose to leave behind. That may come as a surprise to those who are thinking of leaving Britain.

Possibly the most unexpected example of a foreign buyer choosing to come to Britain is that of Mr Henry Levy, the Swiss buyer of the 400-acre Briscaden estate near Ashford, Kent, last year. He paid about £300,000 for the property, which was sold through Cluttons. Knight Frank and Rutley, which acted for the buyer, says that he intends to become a full-time resident of Britain when he retires.

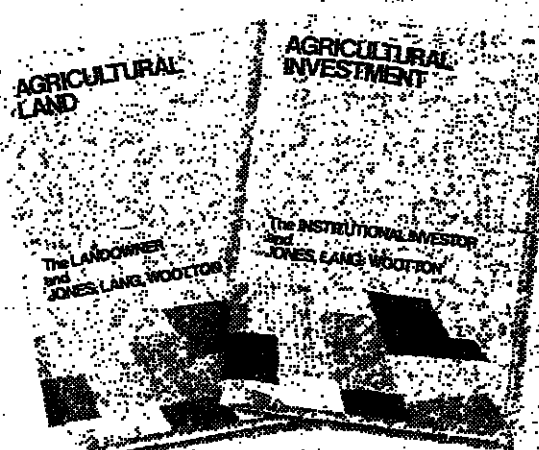
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Tourists provide a second harvest

by Ann Weir

Britain's farmers are reaping a second harvest from their land. They have realized that the fields, flora, fauna, fresh air and farm food can be sold for a premium to the holidaymaker or day visitor.

For some this opportunity to make extra cash has come none too soon. Strong sheep prices in the last year have helped to boost income on hill and marginal farms. But with this exception the income from tourists has often been making the difference between survival of the unit and the farmer giving up.

Many former farmers are now solely tourist entrepreneurs. Thousands of others, the best estimate is 15,000, are making up to half their income from holidaymakers. The most popular areas for the visitors, many taking their first holiday at home for years, are the Lake District, Scotland and the south-west.

The extent of tourist attractions offered is vast. The farm tourist can be a holidaymaker enjoying a few quiet days' bed and breakfast in a lonely farm on the Welsh hills. He can be a visitor to a rock festival or motor cycle scramble in Berkshire with thousands of others. He can take his family to a country park to picnic, visit a tractor museum, canoe and buy farm produce and craft goods.

Farmers are offering bed and breakfast and full board in the farmhouse, separate guest houses, high and low-density camping and caravan sites. Facilities range from the ridiculous to the sublime. Specialist facilities come a lot to set up but, judging by their proliferation, are money spinners. Golf courses are springing up on farms all over the country. Riding centres abound.

Most of the bigger enterprises are called country parks, which include a wide range of facilities such as

picnic sites, rare breed farms, clay pigeon shooting, machinery museums, craft demonstrations and shops, usually selling produce and the work of local craftsmen. The experts reckon that farming's turnover (England and Wales) from leisure this year will exceed £60m.

Trout farms and produce shops are not usually set up with the tourist mainly in mind. But several of the former have developed a good trade in buying fish feed, repackaging it into small bags and selling them to visitors for 10p each, several times the cost of the feed in the first place. The visitors then feed it to the fish.

A lot of farm shops start and remain based on the main enterprise of the farm—meat from livestock, cheese and yogurt from milk or vegetables from produce. Usually selling produce, going past, just grow, ending up with only a tenuous connexion with the farm business which spawned them.

Mrs Hilary Wheeler who, with her husband, runs a 175-acre hill farm at Abberley on the River Tay in Perthshire, says the farm is marginal in more than one sense. "The land is on the margin of hill and lowland and the income from it is on the margin of being enough for a family to live on", she says.

The main farm enterprise of a beef cow herd whose calves are sold off to other farmers for fattening was making enough to give the family a fair living until 1973. Since then it has not.

Mr and Mrs Wheeler's first farm tourist venture was to offer bed and breakfast. But soon their family, now aged five, four and two, grew too big to cram into one room.

Three second-hand static caravans took the place of the farmhouse accommodation, the third just beginning its first season. All were occupied from mid-May to late September. Farm car-

avan sites charge £20 to £40 a caravan a week on Tayside. Bigger sites in or near towns charge up to £70 a van.

In addition the Wheelers have run a craft shop in the farm for seven years. A second shop selling casual clothes has just been opened. At the other end of the scale is the Duke of Wellington's 3,000-acre Stratford Saye Estate in Berkshire.

He opened Stratford Saye House and a 600-acre country park near by for their first full season in 1975 after a long struggle to obtain the necessary planning permission.

Last year there were 225,000 visitors. This year's visitors will pay 80p to see the house and 30p to enter the park (children half price).

Within the park visitors can sail, row, canoe and fish on the 40-acre lake. There are caravan and camping sites, an adventure playground, a fitness course, five nature trails and picnic sites. And there are an animal area and a dairy exhibition, soon to be called the National Dairy Museum.

A dairy is also the centre of a farm tourist venture set up by brothers John and Jimmy Kerr. The latter concentrates on running a 35-acre farm leisure centre called Easton Farm Park at Wickham Market, Suffolk. The former concentrates on the family's 2,000 acres or more of farmland.

When the brothers planned a new commercial milking parlour they decided to spend an extra £10,000 on a viewing gallery where visitors could watch the cowman at work. Since this feature opened at Easter last year 16,000 visitors have paid 10p each to watch the park itself attracts 50,000 in each six-month summer season.

The basic entry charge of 60p for adults and 30p for children allows visitors to see the farm animals and rare breed centre, pens, exhibition of farm machinery through the ages and demonstrations, including threshing and farm work. They can fish in the Deben, pick along a nature trail and buy farm produce and the work of local craftsmen.

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Chrysler offers
its workers
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pay deal, page 26

THE TIMES

BUSINESS NEWS

Too much talk
of eroded
differentials?
page 27

CEGB profit of £100m 'in compliance with price code'

By Ronald Kennedy

The Central Electricity Generating Board would be making a profit nearer £100m than the reported £200m, Mr. Glyn England, its chairman, said yesterday.

During a press conference at Ferrybridge power station in Yorkshire, Mr. England, his deputy, telephoned to say that the Price Commission was asking questions on the CEGB's profits, though there was to be no formal investigation.

Only a few minutes earlier Mr. England had observed: "I can say categorically the profit is in complete compliance with the price code." He said of the Price Commission's intentions: "It seems perfectly proper for people to ask questions, which we will answer." The board's target this year was to break even.

Mr. England said the profit was more than had been planned and was due to efficiency in converting low grade fuel, economies in purchasing stores and materials and more output than expected from nuclear power.

"We aim to keep the costs of generating electricity down. We are aiming to beat inflation," the chairman said, but admitted to some anxiety about investment, because new plant was costly when order books were low, and about possible increases in the cost of coal and oil to fuel the power stations.

On the controversial question of building the second stage of Drax power station, Mr. England said his views did not differ from those of his predecessor, Sir Arthur Hawkins, in that there were no need to build it now. If the Government wanted the industry to do something for social reasons then the Government should be prepared to subsidise it.

The CEGB supported the "demonstrator" there should be rationalisation of the power plant manufacturing industry, but Mr. England said: "We have not offered any view on the ownership side of the business."

Addressing staff at the power station, Mr. England said that

in 1976-77 fuel accounted for 60 per cent of the board's total costs. The explosion in coal and oil prices had undermined electricity's competitive position in the energy market.

Coal stocks were now at record levels but the chairman admitted to being disturbed at the fall in coal output. If it continued there would be a shortage of lower cost UK coals, and falling productivity might force a premature rise in coal prices.

Derek Harris writes: As discussions continued yesterday between the Price Commission and British Gas over excess profits on gas—put by the commission at £36.6m but disputed by British Gas—Mr. John Evans, director of the National Gas Consumers' Council (NGCC), said in London that the council warned last year that there might be excess profits.

He said: "At the time of the last gas price rise we took the view that if the winter was harder than average, as it was outside the south-east, British Gas would be in the field of excess profits. At the time British Gas did not agree. Now we are not surprised."

Another question still to be answered is how far the coal strike and early summer in some parts of the country have affected gas sales and profits since the 1976-77 period at present under discussion.

But NGCC is staying on the sidelines of the controversy until the commission and British Gas reach a conclusion on whether different accounting procedures are responsible for what the commission has claimed are excess profits.

However, Mr. Evans yesterday questioned whether a cash rebate would be the best way to help consumers if there were any excess profits to pay back. "Do consumers really want back little more than £2, hardly a round of drinks, or do they want the money spent on bringing them a lasting advantage? It could be spent on holding prices longer, or on safety, or possibly in other problem areas."

Leyland double-deck bus plan goes ahead

By Clifford Webb

Mr Desmond Pitcher, managing director of Leyland Truck & Bus, yesterday answered recent speculation casting doubts on the future of the company's new double-deck bus project—code named B15—by announcing a £10m plan to put it into immediate production.

The doubts had arisen after the poor response by Passenger Transport Executives to Leyland's suggestion that they should take a direct financial stake in building and marketing a bus for the 1980s. Only two PTEs have so far indicated an interest in this proposition.

But Mr Pitcher told a press conference in Coventry, they all wanted to buy the vehicle and had placed orders sufficient to cover the next three years' production.

He also admitted, however, that yesterday's announcement would have been premature before Tuesday's government White Paper on transport with its boost for road passenger interests.

Rival bus manufacturers now trying to challenge Leyland's near monopoly of double-deckers came under attack. Mr Pitcher said: "There are manufacturers who believe a double-decker can be sold from the drawing board. We believe you need four years' proving and development. If you try to take a short cut there is trouble in this for somebody—the supplier or the operator."

He said Leyland was the only European motor company which had consistently made profits out of bus manufacture.

This year Leyland's double-deck business in Britain would be worth some £70m and in export markets about £50m.

Well over 95 per cent of all the double-deck buses in service throughout the world were Leyland vehicles.

The new bus will be known as the Titan, resurrecting a famous Leyland name. It first appeared in 1927 and became the biggest selling double-decker.

The new Titan, which costs £36,000, will eventually replace all three current models—the Atlantean, Fleetline and Bristol VRT. It is claimed to make less noise than many private cars and to set new standards of both driver and passenger comfort and safety.

British Shipbuilders launched with 'all-out' drive to win orders and keep yards open

By Our Industrial Correspondent

British Shipbuilders, the country's latest state corporation, is being launched today against a world background of almost unrelieved gloom in the industry.

But senior executives of the corporation, encouraged by Mr Callaghan that the Government will do all it can to make the organisation strong and competitive, yesterday sought to allay fears of imminent redundancies and closures.

Vigorous marketing of the industry's capabilities is to be accorded top priority in an effort to secure orders providing stability of work for the next two or three years. A marketing team of 20 is to be based in London.

So far this year the industry has attracted new orders amounting to about 256,000 tons, gross, about a quarter of the industry's annual capacity. Hopes are high that deals with Nigeria and Poland will be completed within the next few weeks.

The new organisation is also expected to secure a number of voluntary redundancy bids for Vospers Thornycroft. Two or three new designs are expected to be offered.

Questioned about redundancies, Mr Michael Casey, the chief executive, said: "I would like to make it clear that we have no plans for redundancies in British Shipbuilders or for closures. Our policy is for an all-out drive for orders." [The Government will introduce a voluntary redundancy bill for the industry next session.]

He continued: "If a yard runs out of work, then I am afraid there will be redundancies, and the management of



Admiral Sir Anthony Griffin, chairman of the newly-formed British Shipbuilders Corporation, with Mr Michael Casey, the chief executive yesterday.

those companies in that position are responsible to the British Shipbuilders board for their actions. Nationalisation will not change what otherwise would have happened in those circumstances."

The first real test may come at Govan Shipbuilders on the Clyde, where 1,000 workers face redundancy after the summer holidays unless the company is able to win new orders by next month. Executives of the new corporation stated that they would not favour the building of ships on a speculative basis to preserve jobs, but might consider such ventures in the case of small and specialised ships where the potential return in the world market was considered to be reasonable.

British Shipbuilders will be required to evolve a new system of industrial democracy in the industry, and officials made it clear that a reduction in the number of unions and greater flexibility would be key items in discussions with the unions over the next few months.

Yesterday Mr Varley, Secretary of State for Industry, appointed Mr John Hepplewhite of the Boiler-makers Society as a part-time member of the board of British Shipbuilders—the third trade unionist to join the board on a part-time basis. Appointment of four full-time directors responsible for personnel, operations, marketing and finance are expected to be announced shortly.

chairman of the new organization said the Government had encountered some difficulty in attracting the right calibre of man for the executive jobs. "The quality of people required for these positions needs to be very high and the sort of salaries which can be afforded have to be in line with those in other nationalized industries," he said.

It was also revealed yesterday that agreement had been reached with the Swan Hunter group for the acquisition by British Shipbuilders of the group's shiprepair yard at Wallsend on the river Tyne, and also of the Swan Hunter subsidiary, Wallsend Shipway and Engineering.

Afloat at last, page 27

Mr Carter holds out hopes of 18-month oil price freeze

Washington, June 30.—President Carter today held out during the next 18 months.

He held a televised press conference here that he expected the Saudi Arabians to raise their prices to the level of those already enforced by other members of the Organization of Petroleum Exporting Countries, but he hoped that the extension of the price freeze approved by Opec members in Vienna yesterday would "go through 1978 at least."

The United States with its strong economic could support further price increases, the President said, but others could not.

The whole question of oil prices was discussed fully when Mr Carter met Crown Prince Fahd, Deputy Prime Minister of Saudi Arabia, in May. The President mentioned this today,

suggesting that both the United States and Saudi Arabia would use their combined economic and political might to persuade Opec countries to freeze prices for as long as possible.

Mr Carter was less forthcoming in his replies to questions about the general Middle East situation. After the hostile Israeli reaction to a renunciation of American policy towards a peace settlement, he clearly wants to avoid saying anything which might be misinterpreted by the new Israeli government at this delicate time.

He would say only that he looked forward "with great anticipation" to next month's meeting with Mr Menachem Begin the new Israeli Prime Minister. He had no doubt that such talks would be friendly, constructive and instructive both for himself and Mr Begin.

Ford strikers back after compromise on lay-offs

By Christopher Thomas

The Ford strike, which has meant the loss of 18,000 vehicles with a showroom value of £47m, ended yesterday after nearly three weeks. Production of the best-selling Cortina and Fiesta at Dagenham resumed last night.

The stoppage came to an end when 4,000 assembly plant men voted in favour of a peace plan. Body plant workers returned to work earlier this week after accepting peace proposals.

Although the dispute started in a minor clash over a man who refused to operate a piece of equipment in a particular way, it quickly intensified into the volatile area of lay-off pay. The company has now agreed to delay for a complete shift the implementation of lay-offs resulting from any stoppage inside Ford.

It represents a partial move towards the men's demand but falls far short of the original claim, which was for 80 per cent of normal pay when laid off because of a dispute elsewhere in the company. But the issue, the subject of a number of previous disputes, will be raised again at national level at talks due to begin later this month on a new annual deal for 33,000 hourly-paid workers.

The vote to return to work was taken against the recommendation of Mr Brian Elliott, convenor of the assembly plant stewards, but he said he would abide by the decision. He added that there would be an investigation into the assembly men's vote.

"There is no doubt that there were people at the meeting who would not have been there," he said.

Libya to raise its oil prices by 5 pc

Mr Izzeddin al-Mabrouk, the Libyan oil minister said yesterday that his country will increase oil prices on schedule by 5 per cent today. Although one of its Opec partners have pledged to keep prices steady.

This statement was sent to Reuters by the Libyan Arab Revolution News Agency (ARN).

Oil minister said Libya would cancel the rise if Saudi Arabia and the United Arab Emirates brought their own prices into line with those charged by the majority of Opec countries.

On Wednesday, Opec announced in Vienna that nine members have agreed to drop a planned 5 per cent oil price rise, scheduled for July 1.

Sotheby 'heavily oversubscribed'

By Our Financial Staff

The new issue market has reopened with a flourish. Paving the way, City Hotels Group started with a warm reception and a rush was reported for shares in Sotheby Parke Bernet Group.

At the same time, the market learnt of the size and the terms of the London & Scottish Marine Oil issue.

City Hotels climbed to 79p before dropping back to 77p in yesterday's trading for a 17p premium on the offer price at the close, which values the Dayville Ice-cream and Strikes hamburger chain at £231m.

The three merchant bankers to the Sotheby float announced that the issue of 3.85 million shares had been "heavily over-

subscribed". The basis of allotment is expected today, but dealers are predicting a heavy opening premium—possibly as much as 20p over the issue price of 150p a share.

The omens are extremely good. When the auctioneers' direct competitor, Christies International, came to the market in November, 1973—ironically described as the last classic new issue success—the offer was 10 times subscribed.

Sotheby's, however, will have to run hard to match the success of J. Sainsbury, which came to the market in the summer of that year oversubscribed 34 times.

The LSMO issue also looks as if it will do well. Morgan Grenfell, merchant banker to the issue, is to offer 8.5 million shares at 155p a share, which

capitalizes the North Sea exploration group at £75m. The application list will open next Thursday.

The group's quoted Oil Production Stocks rose to a new peak with a 12p rise to 339p, and its big shareholders were also in demand.

British-Borneo Petroleum Syndicate, understood to own a stake, climbed 20p to 184p. James Finlay, which holds 5.78 per cent, rose 10p to 246p, and National Carbonising advanced 3p to 66p on the back of its 11.02 per cent holding.

Judging by the British Petroleum issue, the three newcomers should develop a healthy market once the stage has come out. BP's existing shares added 6p yesterday to 932p, while the partly paid put on a further 12p to 380p.

Lyons sells Tower Hotel to EMI for £6.5m

By Desmond Quigley

J. Lyons has continued its long line of enforced disposals with the announcement yesterday that it had sold the Tower Hotel at St Katherine's Dock for £6.5m to EMI.

This brings to some £41m the amount Lyons has raised by major asset sales in an attempt to scale down its heavy borrowings after its ill-fated attempt to become a major international foods and hotel group.

Last November Lyons sold off the major part of its hotel interests to Trust Houses Forte in a £27.5m deal. The following month the Wimpy group was sold for £7m while a simultaneous transaction to sell the Tetley tea and coffee business in the United States subsequently fell through.

In March half the interest in the South African Wimpy chain was sold for £608,000.

Lyons sold yesterday that it paid a total of £4m to acquire the 99-year lease of the Tower Hotel in 1973 and fit the building out.

The four-star, 800-bedroom hotel on the periphery of the City is located in the St Katherine's Dock Development Scheme. At £6.5m EMI has paid an average of £8.125 per bedroom compared with a price of less than £4,000 under which THF acquired Lyons' major hotel interests.

EMI said yesterday that the Tower Hotel acquisition fitted perfectly the group's plans for hotels in London. It had been looking for a single hotel which could complement its existing five hotels in the centre of London—The Selfridge, Royal Horseguards, Royal Westminster, Royal Trafalgar and Royal Angus. It estimated the cost of a new hotel at £25,000-£40,000 per bedroom.

Significantly, the new acquisition almost doubles the number of the group's bedrooms in central London to 1,700 rooms.

EMI financed its purchase with three million shares, subsequently placed with institutions at a net price of 212p, a 10p discount on the overnight price of 222p.

The Tower Hotel was the last of Lyons' major hotel interests with the United Kingdom, although it still has some interestingly placed properties averaging between 12 and 20 bedrooms. Abroad it still has the Commodore in Paris, the Alpha in Amsterdam and a hotel in Sienna, Italy. EMI, however, made clear that it was not interested in the European hotels.

Dollar recovers against major currencies

After a bad start the dollar regained some ground yesterday to close slightly higher against most major currencies. But the general mood among dealers was that the improvement owed more to technical factors than to any belief in long-term strength.

The day began in Europe just as the Tokyo foreign exchanges were closing after another hectic session in which the yen rose sharply to touch 266.5 to the dollar, up from the 268.9 level at which it had closed at the end of the previous session.

That weakness led to further falls in Europe but by the afternoon there were signs of profit taking.

The dollar clawed its way back to close at 267.45 yen, up fractionally.

The pound was steady throughout the day with some Bank of England buying of dollars to add to the reserves. Sterling closed at \$1.7197.

Commodities investment worry

By Wallace Jackson

Commodities Editor

Some concern about the substantial flow of new money into commodities, as a hedge against inflation, taxation and exchange risks, may be justified, the House of Lords Select Committee on Commodity Prices says.

In its report published yesterday the committee says that much of this increased activity is from investors with little relevant experience.

"Their purchases and sales of commodities may be much more strongly influenced by rumour than by serious analysis of future price trends. That would tend to accentuate fluctuations."

The committee feels that this tendency needs to be carefully watched. To present statistical information on the operation of the London markets remains inadequate and the committee believes that it needs further improvement.

The committee adds that "it is impossible to tell from published information what volume of speculation is by outsiders."

Differences in practice between the markets for "soft" commodities (sugar, coffee, cocoa, etc) and those for the metals was drawn to the committee's attention.

In the "softs" markets, "anyone dealing in futures must put up a margin to cover against price changes and the Commodities Clearing House guarantees all contracts in the London Metal Exchange

(LME). Transactions there are contracted on a principal's contract without intervention by a clearing house. Representatives of the LME defended this in terms both of the kind of organizations using the exchange and of the extra costs involved in putting up the extra margin.

"Nevertheless, there could be cause for concern in all this. A financial collapse by any firm which was holding a substantial amount of contracts could lead to their being dumped."

"This would push prices further down and cause embarrassment or even financial failure to spread among other firms with stocks or future sales contracts."

"The view of the committee is that the LME should give further consideration to the question of adopting additional safeguards."

Although the committee concludes that the commodity markets do not in themselves represent a potentially destabilizing influence on commodity prices, the authorities, and the commodity exchanges themselves, should keep under review the possibility that ill-informed speculation might from time to time be destabilizing and should be prepared to take appropriate action.

The committee agrees with the Government's general policy towards price stabilization—the need for comprehensive information, the commodity-by-commodity approach, the establishment where appropriate of international commodity agreements with equal representation for producing and consuming countries, and generally with buffer stocks as a main instrument for price stabilization.

Although this policy has included better information, the importance of this can hardly be over-emphasized, the committee says, and the Government "should consider whether anything more can be done, especially in assessing long-term trends of supply and demand."

Where buffer stocks are practicable, the maximum holding contemplated should be substantially larger than has hitherto been considered reasonable, judging by the experience of the International Tin Agreement.

This would reduce the need for frequent resort to restrictions and give the Tin Council more time to consider when these should be removed and to determine price range policy.

Accordingly, the committee recommends that the Government should press for larger buffer stocks both in existing commodity agreements and in those formed in the future.

Report of the House of Lords Select Committee on Commodity Prices, HMSO £1.85.

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Report of the House of Lords Select Committee on Commodity Prices, HMSO £1.85.

How the markets moved

Rises	
Aerospace Base	5p to 56p
Bay & Rovers	15p to 164p
Brit Borneo	20p to 184p
Cap & Counties	3p to 36p
Finlay J.	10p to 246p
Kitchen Taylor	6p to 108p
Lat Timber	12p to 239p
Lasmo	12p to 239p
Lep Grp	10p to 215p
Metals Expor	3p to 18p

Falls	
Berkley Embro	3p to 98p
Blackman & C	3p to 30p
Lyons J.	3p to 52p
Morgan-Gramp	4p to 106p

Equities stayed firm. Gold edged securities lost ground. Dollar premium 114.07 (effective rate 40.746 per cent). Sterling fell 13 p to \$1.7197. The effective exchange rate index was at 61.3.

THE POUND

	Bank	Bank
	buys	sells
Australia \$	1.55	1.55
Austria Sch	30.00	28.00
Belgium Fr	64.00	61.00
Canada \$	1.25	1.21
Denmark Kr	10.68	10.23
Finland Mkk	7.15	6.90
France Fr	6.48	6.36
Germany Dm	4.19	3.97
Greece Dr	65.50	61.00
Hongkong \$	8.40	7.95
Italy L.	135.00	140.00
Japan Yn	485.00	460.00
Netherlands Gld	4.42	4.20
Norway Kr	9.41	9.05
Portugal Esc	68.00	64.75
S Africa Rd	121.50	113.50
Spain Pes	7.83	7.48
Sweden Kr	4.40	4.18
Switzerland Fr	1.76	1.71
US \$	32.25	30.25
Yugoslavia Dnr	32.25	30.25

Gold gained \$0.50 an ounce to \$143.125. SDR-3 was 1.16587 on Thursday, while SDR-5 was 0.677753. Commodities: Cocoa prices advanced. Rubber index was at 1,569.5 (previous 1,571.3). Reports, pages 28 and 30

Britain acquires a 'home market' of 300 million people today as EEC customs barriers fall

Customs duties on industrial goods traded between the nine EEC members practically come to an end today.

At the same time, the United Kingdom adopts the EEC's common customs tariff and the European Coal and Steel Community's unified tariff for imports from outside the Community.

Western Europe thus becomes a 16-nation industrial free trade area.

In a statement today, Mr Dell, Secretary of State for Trade, said: "British manufacturers will have a home market of nearly 300 million people in 16 countries from today."

"It is virtually the end of the four-year transition period since the United Kingdom joined the EEC in 1973."

"With the disappearance of customs duties on industrial goods traded between the EEC and all the EFTA (European Free Trade Association) countries, the world's biggest tariff-free area comes finally into existence."

This will now extend also to the six original member states of the EEC.

The only exceptions are a small number of "sensitive products", particularly paper and some metals, on which tariffs will be eliminated between now and the end of 1984.

A slower timetable is in force for two EFTA members, Iceland and Portugal, who have until the mid-1980s to eliminate their tariffs.

"This free market for industrial goods in Western Europe is the culmination of a process which began five years ago when each EFTA country concluded separate free trade agreements with the Community."

These provided for progressive reduction of tariffs in stages until they disappeared completely.

"The EEC officials say the importance of the West European free trade system now created is shown by the fact that the 16 countries involved accounted together for more than 39 per cent of world trade last year."

The Community, with a population of 258.5 million, had the lion's share of 32.2 per cent. EFTA, whose population numbers 40.5 million, claimed 5.9 per cent.

The development has been hailed enthusiastically in public pronouncements by political and economic leaders of both groups.

But mutual congratulations have been tempered by cautious warnings about the general economic outlook and private misgivings about the future intentions of the two groupings, widely dissimilar in structure and ideology.

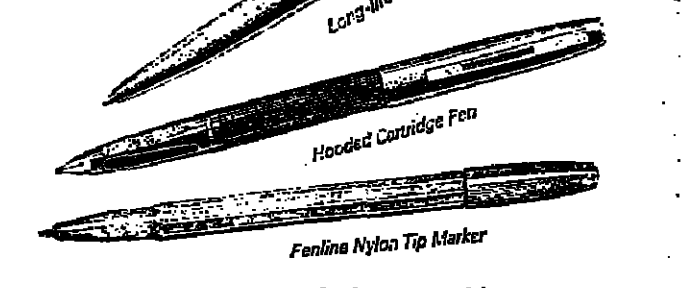
In a statement published by the EFTA secretariat in Geneva, Herr Bruno Kreisky, the Austrian Chancellor, and one of EFTA's founding fathers, said: "The objective to which the best minds of our continent have devoted so much effort in the decades since the Second World War has at last been attained."

Mr Roy Jenkins, President of the EEC Commission, the Community's top executive body, said abolition of industrial tariffs had created "unrestricted free trade for almost all industrial goods... thus forming the world's largest area of free trade in manufactured products of direct relevance to a combined population of over 300 million."

The ultimate goals of the Community are economic and political integration, and it is composed of institutions whose decisions are binding

Mentmore Manufacturing Co. Limited

Extracts from the Annual Statement by the Chairman, Mr. C. P. Andrews



In 1976/7 negative growth in the U.K. Writing Instrument market resulted in only a marginal increase in group turnover—from £7,623,748 to £7,806,808, with profits reduced to £201,668 from £503,957 in 1975/6.

The first three months of 1977 have shown a marked upswing in demand for writing instruments, and this, coupled with savings resulting from re-organisation and anticipated increased turnover generated by new products, leave the Board confident of a far better performance in 1977/8.

For a copy of the Report & Accounts, containing the statement by the Chairman, Mr. C. P. Andrews, write to

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Platinum House, Six Hills Way, Stevenage, Herts SG1 2AY

Acceptance of 5pc increase would preclude further settlement within 12 months

Chrysler hopes high for phase two pay pact

By R. W. Shakespeare

One of the last major industrial wage settlements under phase two is likely to be concluded within the next few days. Significantly, it involves more than 19,000 workers in one of the "big four" car groups.

Chrysler has this week tabled an offer, in line with the phase two ceiling of 5 per cent, with shop-floor negotiating committees representing both manual and clerical workers in its British plants.

The offer will go to a series of shop-floor meetings over the next few days and the company believes there are good prospects that it will receive indications of acceptance by next week.

Wage agreements with Chrysler run out yesterday, so the new deal would become effective immediately.

Chrysler has hopes of trouble-free acceptance, even against the background of growing union and shop-floor insistence elsewhere on a return to free

collective bargaining when phase two concludes at the end of this month. These are pinned on the fact that it has enjoyed stability in shop-floor relations since the government rescue and the consequent reorganization of production.

Management at the American-owned company believes most workers will want to see this stability, the freedom from lay-offs and, therefore, security of earnings continue.

If the Chrysler deal goes through, it will, of course, come under the phase two "12 months rule" which precludes any new pay settlement during that period. However, the company has held out some prospects that if the 5 per cent increase is accepted now it will—should a new wage policy permit—be ready to start fresh talks with the unions on a number of specific issues.

There are likely to include the question of skill differentials and pay gaps that still exist between some plants.

For two or three years, Chrysler has,

through agreements with the car unions, been committed to achieving wage parity in its plants. The intervention of phases one and two of incomes policy prevented this being carried out.

If the ending of phase two brings the degree of flexibility that unions are now demanding, Chrysler will be anxious to rid itself of wage anomalies.

Last week, at the annual conference of the Shipbuilding and Engineering Confederation unions there was solid support for the demand for a return to unfettered wage bargaining at the end of phase two, a move that was led by Mr Hugh Scoulton of the Amalgamated Union of Engineering Workers, and, again significantly, supported by the vehicle and automotive group of the Transport and General Workers' Union.

However, Mr Scoulton and Mr Moss Evans, who will succeed Mr Jack Jones as leader of the T & GWU, said they would insist that any deals made under phase two must be fully honoured to terminal dates.

This means that if the Chrysler workers accept the company's offer the two big unions to which the vast majority of them belong will regard them as being fully committed to the pay deal for the next 12 months. And if the brakes come off wages during that period they could see other car workers opening up a sizeable gap on comparative basic pay rates.

Increases of £15: About 90 senior staff at Rolls-Royce and Associates in Derby have been granted £15 a week pay rises backdated to last October. The staff, all nuclear engineers, were earning an average of £4,500 a year and the rise represents a 15 per cent increase.

A spokesman for the Association of Scientific, Technical and Managerial Staffs, which represents many of the men, said that the government wage restrictions the increase was permitted under the Fair Wages Resolution which covers workers not paid the equivalent of employees involved in similar work elsewhere.

Banks put loans case to Wilson Committee

By Ronald Pullen

Banking Correspondent

Clearing banks have played a full part in meeting the requirements made of them for external finance, according to evidence submitted to the Wilson Committee.

The Committee, the workings of the United Kingdom financial institutions from the Committee of London Clearing Bankers.

Pointing to the low level of demand for bank advances by industry at present, the CLCB argues that there is no pent-up pressure for bank finance from industry.

On a more aggressive note, moreover, the CLCB cites recent studies from the Bank of England, which have been reinforced by evidence already given to the committee, that the banks' credit criteria have not been found unduly restrictive, and the limiting factor on industrial and commercial borrowing has tended to be the deteriorating view these companies have taken on the rates of return they are likely to obtain from new investment.

In the first of its two-volume submission, the CLCB says that a clearing bank applies even more stringency in assessing equity investment opportunities than in the course of the rest of its lending business.

The bank usually looks for an adequate dividend within a short period, although in certain circumstances a company

with good prospects may be allowed to retain more of its earnings to promote further growth.

Answering the more fundamental criticism levelled against bank lending to industry—that it tends to lend on too short a term—the CLCB emphasises that an increasing proportion of its lending is now on a medium-term basis.

Over 40 per cent of direct lending to industry and trade was on medium-term facilities in 1976, which rises to 47 per cent if export finance schemes are included. Within three-quarters of their sterling deposits held for periods of eight days or less, the CLCB argues that it would be imprudent to alter this level much further.

Even though the CLCB concedes that the financial system as a whole has been effective in meeting the requirements of trade and industry for finance, the banks suggest a number of ways the overall effectiveness of the system could be improved.

Among these are an overhaul of the whole range of controls, regulations, incentives and subsidies applied to different types of financial institution. In particular, the banks urge a policy of fiscal neutrality towards savings. The CLCB also calls for a review of the machinery for providing equity or long-term funds to smaller companies via life assurance companies and pension funds.

Italy opens deep-sea oil search

From John Ewke

Rome, June 30

The Italian Government is throwing open to international bidders offshore exploration rights for oil and gas at hitherto unexplored depths down to 1,100 metres in the southern Adriatic and Ionian Seas.

Exploration in Italian waters has so far been limited to depths of 200 metres.

The state hydrocarbons corporation ENI has submitted to the Government preliminary seismic data gathered in the area during the past two years.

In accordance with a decree of June 1975, giving it exclusive rights to up to 25 per cent of the area, ENI has selected nine blocks amounting to about 8,700 square kilometres within the whole area of more than 26,000 square kilometres.

The area covers waters between 200 and 1,100 metres deep. Its main interest is that it lies immediately beyond the Lure and other gasfields off Crotona in Calabria, which are envisaged as one of the main domestic sources of natural gas.

ENI, whose subsidiary AGIP will start systematic exploration in its exclusive area as soon as the industry ministry grants permits, will be barred for two years from bidding in the remaining 75 per cent.

Tighter curbs by US on Hongkong textiles

Washington, June 30

The United States will tighten import restrictions from October 1 on many types of textiles and garments, United States officials said on Wednesday.

Although the White House and the State Department say details of the recently completed bilateral agreement with Hongkong will not be made public until about July 11, details are starting to leak out in Washington.

A congressional source, who has been briefed on the new five-year agreement, said the annual "growth rate" for quotas covering 26 categories of textiles and apparel will be held to 3 per cent or less.

Other sources said there will

Britain 'not realizing its potential'

By Derek Harris

Without more professional and effective manufacturing management Britain is likely to end up nearer the bottom than the top of the league of industrial nations, Dr Peter Jost said in his inaugural address yesterday at the Institution of Production Engineers.

The role of production engineers, which together with that of electrical and mechanical engineers, is central to wealth creation, is expected to be a major preoccupation of the forthcoming government inquiry into the engineering profession.

Dr Jost, who chaired the government investigation into tribology and demonstrated how Britain could save £15m a year by lubrication technology, said that in manufacturing Britain had a potential second chance, but it was not fully realized.

In manufacturing Britain was neither as efficient nor as expeditious as some of its foreign competitors. The reason could be lack of political recognition of the importance of the subject, Dr Jost said.

Manpower and brainpower were not in manufacturing in contrast to the pure science field—being used to the best advantage, and indeed often badly.

No significant central government activity in manufac-



Dr Jost: More effective management needed.

turing management was at present led by a production engineer, nor was the government machine professionally advised in any major aspect of manufacturing.

"Perhaps it is because our political parties are too preoccupied with other matters—particularly those that have the vote attraction of wealth distribution or even the promise of wealth distribution—that has prevented them from throwing their full weight behind the required national effort in the fields of wealth creation through manufacturing."

There were nevertheless encouraging signs of movement, particularly the Government's new industrial policy.

Benn talks on oil future with unions

By Edward Townsend

Mr Wedgwood Benn, Secretary of State for Energy, last night met two groups of union officials for further discussions on workers' fears for the future of the country's oil and petrochemical industries.

Earlier this month, Mr Benn apparently assured union leaders that he would oppose a European Commission proposal to test oil refinery capacity, which the unions believe is irrelevant to the Government's industrial strategy for making the maximum use of North Sea oil.

But the petrochemical sector, the unions are concerned about a shortage of effective investment and have criticized the industry for a lack of commitment to ensure that the benefits of North Sea oil accrued to the country as well as the oil companies.

Last night's meetings came on the day that Mr Benn stepped down from the post of president of the EEC Energy Council, a term of office which he said in a report had not brought dramatic progress in the formulation of a Community energy policy.

"However, I believe it has been marked by strong ministerial-political-control over energy affairs, which is essential. We have promoted greater informality and closer ministerial links and, I hope, a greater sense of realism in our approach to a subject which must be seen increasingly in a wider international framework."

According to *Energy Trends* published yesterday by Mr Benn's department, gross production of North Sea crude oil in the first four months of 1977 rose sharply to 10.6 million tonnes compared with 12 million tonnes for the whole of last year.

Total inland energy consumption for the three months to the end of April was 1.7 per cent higher than in the same period last year, and after seasonal adjustment in March-May rose by 3.4 per cent, and power station consumption was up 9 per cent on a year earlier, with gas demand growing by 3 per cent.

Alumina fibre project

Imperial Chemical Industries is to spend £7m on a new alumina fibre plant at Widnes, Lancashire, to begin production in the second half of 1979. It will be built beside an existing alumina fibre factory established in 1974.

Sales of ICI's alumina fibre are about £1m a year.

Balance sheets get stronger

Company balance sheets were growing stronger during the year to April, 1977, according to an initial analysis of listed company balance-sheets published in June's edition of *Financial Statistics*.

The figures, which apply to balance-sheets analysed up to April 30 this year, show that the capital and reserves of the companies involved increased by almost 15 per cent. Gross debt, however, rose by only 8.5 per cent, dropping gearing to a point to 27½ per cent, and net debt was marginally lower.

A notable feature of the companies' balance-sheets was the further sharp rise in deferred taxation. This was up by almost 40 per cent. In terms of the total balance-sheet, the proportion represented by deferred taxation, rose

More forceful role is seen for accountants in industry

By Nicholas Hirst

Accountants have a leading role to play in revitalising British industry, Sir Henry Benson, Industrial Adviser to the Bank of England and former president of the Institute of Chartered Accountants in England and Wales, said yesterday.

He told the Institute's annual conference that there were normally half a dozen large companies in an industry which were completely managed. But in recent years they had suffered from a national and international decline in trade, and an erosion of their resources through inflation.

The bigger companies knew, however, where they were going and what they had to do to put matters right.

But this was not the case in smaller companies. Small units were not competitive in price and quality and they lost exports and invited import penetration. They had little long term thought of success, Sir Henry said.

It was here that accountants could be more forceful in the future. "You can change the whole course of a man's business life if you give him the right advice at the right time," he said.

A leading industrial accountant, Mr Geoffrey Wilson, managing director of Delta Metal

called for a new look at the cost of company audits. "There is grave concern in industry about the level of audit fees," he told the conference.

He said that figures for six major companies showing a sharp increase in audit fees as a percentage of pre-tax profits. Ray Maughan writes: In its tenth Exposure Draft, the Inter-Industry Accounting Standards Committee proposes that a contingent loss should be accrued by a charge in the income statement if it is possible that a future event will confirm that an asset has been impaired or a liability incurred at the balance sheet date.

The draft categorizes two post balance sheet events—the first which provides additional evidence which adds the calculation of estimated amounts relating to conditions which existed at the balance sheet date, and the second describes those events which do not meet this criterion but do represent significant changes in the financial statement amounts.

The first category, the IASC proposes, should be reflected by adjustment of the financial statement amounts and the second in notes to financial statements.

Enlisted Contingencies and events occurring after the balance sheet date, the draft ends on December 31 next.

'Modest rise' in US business confidence

From Frank Vogl

Washington, June 30

Business confidence in the United States rose modestly in the second quarter of this year, but the level of business sentiment still remains below that recorded in the first half of 1976, according to a new survey by the United States Conference Board.

These surveys are widely respected and the latest one takes the Conference Board's

business confidence level to 71 per cent, compared with 67 per cent at the end of last year and with 74 per cent at the end of the second quarter of 1976. Business confidence rose by 2 per cent in the first quarter of this year.

A more specific business opinion poll conducted at the same time by the Conference Board shows that 44 per cent of United States business executives approve of President Carter's new energy programme,

43 per cent disapprove and 13 per cent are neutral. The most negative responses came from executives either directly involved in the energy industry or from those in companies that are heavy energy users.

Mr Edgar Fielder, former top economist of the United States Treasury, and now a conference board vice-president, noted with regard to the general confidence survey that executives are still fairly worried about future business prospects.

LETTERS TO THE EDITOR

Indexation an aid to curing inflation

From Mr J. Hoskyns

Sir, Oliver Stanley, in his interesting article on indexation ("Tax: why this reluctance to allow for inflation?"), comments that, if the Chancellor remains inactive on the matter, one conclusion would be that indexation "... is psychologically impossible for Mr Healey, because it is tantamount to an admission that inflation is with us for evermore."

I think this could mislead people because it suggests (though I don't think that was the intention) that indexation is only an alternative to, rather than an aid to the cure of inflation by monetary measures. Of course indexation in its own case does not cure inflation, but it could help ease the cure and thereafter help to ensure that the cure was permanent. There is no reason why, with inflation at zero, government could not, by indexing government bonds, tax-bands and allowances, say in effect:

1. We hereby renounce the temptations of fiscal drag, with its inherent dishonesty and attendant injustices.
2. We hereby restore our

broken pledge on our bank notes "I promise to pay the sum of one pound (in real money)".

While indexation would not make it impossible for government to inflate again, it would remove most of their incentive to do so. And it would act as an automatic damper on the public's inflationary expectations which themselves end up by forcing weak-minded governments back towards further monetary expansion.

Paradoxically, the commitment to indexation is the very opposite of admission that inflation is here to stay. By ensuring that the cost of excessive monetary expansion keep bouncing visibly back on to Government's plate, instead of being surreptitiously billed to the public, government would show that it really understands the dynamics of inflation and has the will to stop it.

Yours faithfully,
JOHN HOSKYN,
Widmarsh,
Great Walsingham,
Norfolk
June 29.

The cold facts of LNG carrier fire risk

From Dr E. C. B. Corlett

Sir, I read with interest the letter from Elizabeth Young regarding the problem of transporting liquefied natural gas (LNG) at sea. The writer does well to point out the peculiar nature of this cargo but there are several points in the letter which require clarification.

First, LNG is not carried under pressure at all, contrary to the writer's suggestion. The critical temperature is so low that there is no point in using pressure to keep it liquid. It is currently in service or projected, carry the cargo cryogenically at the temperature of or below liquefaction point at normal pressure.

It is unlikely that there will be a considerable number of second and third hand LNG carriers. These ships are incredibly expensive, both to build and to run and can only be operated by owners who have already made long term commitments. All LNG ships, currently in service or projected, carry the cargo cryogenically at the temperature of or below liquefaction point at normal pressure.

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Doubts over pharmaceutical patents move

From Mr C. Whyte

Sir, Dr Arnold made specific plea for the pharmaceutical industry (your June 17). One wonders why all firms, large and small, subscribe to the plea, an also wonders whether a profit record the extension patents to be provided by the new Act is the right

remedy to an injustice under the old Act. However, whatever the circumstances of pharmaceutical industry must be wrong to afflict industry in general with legislative of nature.

When patentees apply patents they know the law, and there seems to be no reason why retrospective legislation should now alter rules of the game.

This provision will have effect of restricting needed new investment technological nature, it affects employment and it also have adverse effect the balance of payments, other words, this provision simultaneously breach Government's side of the contract and make Government's stance under social contract more difficult to achieve.

It is to be hoped that whole issue will be vented thoroughly while the Bill is being considered.

Yours faithfully,
C. WHYTE
35 West Side,
Hendon, NW4,
London, NW4.
June 22.

Frank question on missing 6p stamps

From Mr R. M. Silverblatt

Sir, Mr Arnold's letter (June 27) on the new postal charge prompts me to ask why, in the first seven parcels per weight steps now require rates of 56p, 86p, 106p, 126p, 136p and 146p respectively, the 6p stamp is longer obtainable?

Yours faithfully,
R. M. SILVERBLATT,
Director, Mail-A-Mink Limited
Morley House,
320 Regent Street,
London, W1R 8AG.

Unions in a changing democracy

From Mr R. C. Kirk

Sir, I read with much interest, on your front page of *Business News* (June 27), the report by Professor Ben Roberts's views on radical advanced worker-directors and future employee participative management.

The most salient remarks to me were these: "What must, however, be rejected is the extreme view that the only form of participation that is meaningful is one which so enhances the bargaining power of the unions that, in effect, they take over the control of private and public enterprises."

What Professor Ben Roberts says is that the unions may have overlooked and not appreciated is the historical perspective on this matter.

We are all living in an era of great social fundamental change, and while in the past, Governments of both political

parties, elected by the consumer electorate, have been responsible for the policy of this country without taking over every detail of private and public enterprises, we are now in a period of history when all forms of traditional governmental control are being challenged, and the most important and biggest challenge is the Trade Union Congress.

Technological industrial democracy has simply got to take another constructive surge forward in the history of mankind; because if it does not, society takes a very grave risk of collapsing into chaos and anarchy.

To avoid chaos democracy from the grass roots must simply be democratically organized, and the only meaningful democratic administrative vehicle is the trade union movement with its roots deep into the history of this, the most mature democratic

country in the world. This fact will provoke a lot of people, prejudices, especially the policy management-orientated but do kindly remember that every trade union has now a politically to protect its part of the trade union, which is politically protecting particular trade or industry. I feel that any knowledge of the history of the trade union who also has respect for it and order as against anarchy and chaos will appreciate its support this historical point view.

Yours sincerely,
R. C. KIRK,
Associate of the Institute
Grocers' Distribution,
11 Member of the Union of Shop Distributive & Allied Workers
Member of the Conservative
Trade Union Organization,
6 Kemble Road,
Forest Hill,
London, SE23.

Quandary over a redundancy claim

From Mr J. I. Karst

Sir, Clearly, one of the reasons why the country's finances are in a state of such a dire straits is shown by a letter we have received from the Department of Employment relating to redundancy payments in a case where we are acting for the employer.

The employee has made an application for a redundancy payment outside the statutory six-month period and has requested the tribunal to extend that time. We quote:

BY THE FINANCIAL EDITOR

Trafalgar House takes the plunge with Beaverbrook

To judge from its track record in breathing life into apparently hopeless causes (see, for example, Trollope & Collis and Cuzard to name just three), Trafalgar House has a head start over the other suitors for Beaverbrook in pulling the newspaper business back from the brink. And Trafalgar House has a head start over the other suitors for Beaverbrook in pulling the newspaper business back from the brink. And Trafalgar House has a head start over the other suitors for Beaverbrook in pulling the newspaper business back from the brink.

But as others have found to their cost, the newspaper business is a hard taskmaster and however successful Trafalgar's strong management team has been in the past at pulling round industrial concerns, it is quite another matter to wave a magic wand in Fleet Street. And that remains the case even allowing for the management deficiencies that are widely accepted to permeate parts of the newspaper industry.

In the short run, Trafalgar recognizes full well the three-year haul it has in front of it before the newspaper side can hope to set on an even keel. Even with the more encouraging signs emanating from inside the Beaverbrook group on trading at the moment, it will be some time before the £13.7m initial outlay on Beaverbrook, which perhaps a maximum of another £20m to come, can be justified in purely financial terms despite Trafalgar's hopes of a £10m pre-tax profit by 1980.

For backing this project, however, Trafalgar still has to run the gauntlet of Sir James Goldsmith who controls 40 per cent of the non-voting equity and was hopping mad at the price disparity between the non-voting and voting even before the terms yesterday which, at 25p for the voters against 70p for the non-voters, weigh things even more in favour of the Aiken family who hold more than four fifths of this class of the equity.

Meanwhile, everything hinges on today's meeting of the Takeover Panel who are due to rule on whether or not the terms for the two classes of equity are comparable. Even though Sir James will have doubled his money on his Beaverbrook holding in the space of only a few months, that will be no recompense if he loses the battle and the signs last night were that he would be moving heaven and high water if the panel decision goes against him.

Whatever happens, the Beaverbrook affair will, as I said yesterday, lead to renewed efforts to banish such clumsy and undemocratic capital structures.

So far, the Associated Newspapers is concerned, the Trafalgar initiative must be a serious blow as it means that the *Evening News* will have to continue its costly circulation battle with the *Evening Standard*—and that is a cash hemorrhage its North Sea luck cannot support indefinitely.

Renold

Awaiting capital spending recovery

Engineering shares have been outperforming the market for most of this year alongside plenty of evidence to suggest that the sector which investors are going to follow for the next year or so. The point is simple enough.

The economy is now geared to cutting an improvement from the manufacturing sector with the Government actively trying to stimulate capital investment, though as yet without great success. More specifically, Phillips & Drew in a new engineering prospectus are good for this year and next: volume growth should be at a faster rate than that of the economy generally, and profits margins should widen.

On this analysis engineering profits, having underperformed the average last year (with growth of 32 per cent against 40 per cent) should increase by 25 per cent and 27 per cent in the next two years against 22 per cent and 18 per cent expectations for all companies.

Yesterday's results from Renold, as good a barometer of the mood in the sector as any since its power transmission and materials handling products are directly linked to capital spending, support this view. Having produced a first half profit of £1.76m, Renold came back strongly towards the end of the year, the outcome being profits up by almost a quarter to £1.76m. True, this includes currency profits of £1.76m, against only £0.5m last time and probably nothing in the current year, but it also includes a solid performance in the United Kingdom where profits are 22 per cent ahead of £1.6m.

The background here though is not so much demand—this remains patchy and Renold admits that in several areas it continues to operate below capacity—but in rationalization measures which have taken place within the British operation. Overseas, Renold has met severe competition notably in continental Europe. However, profits, down from £6.8m to £5.5m, appear to have withstood that onslaught remarkably well.

There are now two views of this year. At this stage the company's is a cautious one, though Renold is traditionally conservative on profits. Nevertheless, it has yet to secure any benefit from efforts to stimulate spending in the United Kingdom and is naturally concerned about the effect sluggish growth in other western economies is having on demand.

The outcome, says Renold, is that while there

are many favourable signs for the longer-term, profits growth this in the immediate term is unlikely to compensate for the expected loss of windfall currency profits. Rather more optimistically Simon & Coates in a timely analysis of Renold suggests that profits this year could be £18m, though even allowing for the currency factor this analysis undershoots on its forecast for 1976/77.

Renold, says Simon & Coates, is a highly operationally geared company well placed to benefit from the expected capital spending upturn, and one which at 147p carries a decent 83 per cent yield and sells at around 7 times earnings on an £18m profit assumption this year.

Insurers

Against the inflation rate

"If there is a general inflationary trend insurance companies' results tend to be poor on the way up and better on the way down." Thus, the retiring chairman of the British Insurance Association, Mr Bill Harris.

According to the latest OECD figures on inflation that trend is now in the right direction and, on the back of improving worldwide results last year with premium income continuing to rise by between 30 and 40 per cent, which is well ahead of price increases—profits will continue to improve.

How long that will be the case, will depend not only on the rate of inflation but also on the time it takes for competitive rate cutting to reemerge, and the whims of the courts in their growing tendency to settle claims covered by insurance companies at ever higher sums.

However, the problem investors face is not how soon the underwriting cycle will turn so much as how soon the companies



Mr Geoffrey Haslam, chief general manager of Prudential Assurance, who succeeds Mr Bill Harris as chairman of the British Insurance Association.

will be returning to the market for more capital.

The average industry solvency margin was 46 per cent last year compared with 72 per cent in 1972 and the growth in premium income is likely to keep running ahead of rises in shareholders' funds bringing the companies back to the market, on the industry's own estimates within three to five years.

Greater selectivity, though, by the big operators in the North American market like Commercial Union and Royal, will tend to broaden margins and reduce the need for new capital, and the prospect may be far enough away and the more immediate returns good enough, for investors to concentrate on the shorter-term.

Improvements on motor insurance worldwide last year contributed largely to improvements in the general underwriting position of BIA members last year. The loss was reduced from the 1975 figures of 4.2 per cent of premiums to 2.7 per cent, but within that motor improved from a 9.8 per cent loss to 2.2 per cent, while fire and accident deteriorated partially due to the heavy subsidence claims in the United Kingdom.

All companies have been taking steps to cover themselves from future subsidence claims while motor in the United States should continue to improve, benefiting General Accident particularly.

But the real question mark is whether inflation will continue to fall and the uncertainties are still expressed in the stock market rating of the composites with a yield nearly a point better than the market average.

Late this afternoon, wind and tide permitting, the new shipyard at Austin & Pickersgill's Wearside shipyard will give voice to the cargo ship, Capetan Markos, glides down the ways into the murky waters of the River Wear.

The Capetan Markos is an SD 14, the most successful standard design cargo ship built anywhere in the world, and A&P has outdone its competitors handsomely. She will be the 93rd to go down the company's slipways, but more than 100 have also been built under licence abroad since the design was first introduced as a replacement for the wartime Liberty ships.

The launch will have a particular significance for it will mark the end of one era and the birth of a new one as the fiercely independent and profitable A&P joins 100 shipbuilding, repairing and marine engine building companies and their assorted subsidiaries in the British Shipbuilders, the new state corporation.

It has been a long and difficult birth. It is nearly three years since Mr Wedgwood Benn, then Secretary of State for Industry introduced his bill for the nationalization of the industry. The enabling legislation was the subject of unprecedented parliamentary procedural manoeuvres, and after a long and bitter struggle, the bill was passed.

Delays to the Bill led to the departure of most of the key members of the original team and the bill was eventually passed in a form which was a far cry from the original intention. The new shipbuilding industry will have an annual production capacity of some 30 million tons gross

against an expected level of demand of between 12 million and 13 million tons gross annually over the next five years.

Attempts to resolve this imbalance through a more equitable share of orders between Japanese and European yards have so far proved abortive. As the established shipbuilding nations grapple with the crisis, developing nations are pressing ahead with expansion, programmes which can only exacerbate the overcapacity. It is a daunting prospect.

Governments are under increasing pressure to provide succour to their troubled shipyards. Because of the social and political difficulties that would arise from allowing market forces to operate, governments almost without exception, are delving into their respective exchequers to provide financial lifelines.

There is no exception. Subsidies have been an integral part of shipbuilding policies for many years. In order to assist the industry in coping with the pressures of the crisis, the Government has provided in the shape of the shipbuilding intervention fund, designed to enable United Kingdom yards to narrow the gap between their prices and those of competing yards.

The objective is to secure the orders which are desperately needed to avoid politically unpalatable lay-offs and redundancies at a time when the ability to resist the temptation to succumb to the subject of unceasing speculation. More aid will be essential and unavoidable.

Whatever the political

British Shipbuilders afloat at last

'Whatever the political motives behind nationalization state ownership now presents possibly the last opportunity to put the UK industry on to a secure footing'

motives behind nationalization, state ownership now presents possibly the last opportunity to put the United Kingdom industry on a secure footing. Previous attempts to restructure it and improve its performance have hardly been object lessons in success.

The Geddes report of 1965-66 transformed a scattered industry into the groupings which have today been vested in British Shipbuilders. The amalgamations and mergers advocated by Geddes were effected financially by the new defunct Shipbuilding Industry Board, which disbursed some £37.5m in promoting reorganization and stimulating long overdue investment.

But that proved totally inadequate. The hoped-for surge in output failed to materialize and although productivity has shown some encouraging improvements the United Kingdom industry's output has not increased since 1965. In fact, it has fallen by about one million to 1.2 million tons gross a year. Other nations have expanded their production and Britain's share of the world market has fallen drastically.

Well before the oil crisis, the collapse of the tanker market and the recession in world trade which have brought the industry to its present sorry predicament, British companies ran into stormy weather. Government assistance had to be provided to salvage Cammell Laird, Harland & Wolff, Sunderland Shipbuilders and the ill-fated Upper Clyde Shipbuilders.

Between 1965-66 and 1976-77

total state aid to the shipbuilding companies has been in excess of £400m in the form of loans, grants and shareholdings. Belfast's Harland & Wolff, which with yards outside British Shipbuilders' umbrella—alone has accounted for £125m of that total.

More money will be required. British Shipbuilders will have a borrowing limit of £200m, but it is already clear that its board will have to inject new working capital. The industry traditionally finances working capital from the instalment payments made by owners on contracts, and as the order book shortens—the 183 million tons gross now on order is equivalent to about two years' work—the pressure for working capital will grow.

The pressing need is for orders to secure the future of the yards beyond the short-term, two-year crunch period. It will not be an easy task. But there is, despite the problems of the past, a substantial base on which to build. The United Kingdom industry, ironically, now has some of the most advanced facilities in the world.

—Mr. G. Cammell Laird, Sunderland, and A&P—and it is on this investment and the ability of the 82,000 workers to respond that the British Shipbuilders board is basing its cautious optimism.

Mr Michael Casey, the former civil servant who was pitched into the chief executive's job on the departure of Mr Graham Day, former Cammell Laird chief last December, is quite positive about the future.

"I do not believe that shipbuilding is as sick an industry as many people believe it to be. Providing that we can obtain the orders, we shall have an industry which is efficient, viable and significant in terms of size and which can look forward to the 1980s with confidence. But if it is to happen it is absolutely essential that there is a total commitment and co-operation between management and workers."

Mr. Casey stresses that because of Britain's considerable trade and the size of its merchant fleet, it is essential that shipbuilding in the United Kingdom should be nurtured and made more efficient. British Shipbuilders will try to deploy policies which will bring stability to the industry and improve its overall performance. Mr Casey believes that a 20 per cent improvement in efficiency is possible given constructive attitudes by trade unions.

But are closures and redundancies inescapable in view of the present crisis? "I have no plans to close yards and equally I cannot guarantee jobs. There is no doubt that we are facing a very serious situation," he says.

Top priority is being given to securing contracts. The major British shipping companies are being lobbied vigorously and Mr Casey and his team have been pursuing export deals.

More adventurous ship finance packages, leasing deals, and the development of the ship relationship between the ship operators of shipping in both the public and private sectors of industry—the British Steel Corporation, ICL, RTZ, for example—are expected to figure in Mr Casey's strategy.

The industry's first corporate plan will be submitted next autumn. Meanwhile, negotiations over compensation terms—likely to cost some £80m—will begin in earnest. The need for contracts, however, is vital if the industry is to survive the next two years.

Too much talk of eroded differentials?

A call for the restoration of differentials—allegedly distorted during two years of incomes policy—now accompanies every recommendation for the next wage round. It should be treated with some caution, for two main reasons.

First, it is impossible to imagine agreement being reached on which differentials are the ones to be restored. If that were the case then it would be necessary to consider a wage spiral—when everyone tries hard to keep up with or overtake everyone else—need never exist.

Secondly, there is surprisingly little evidence that the last two years of incomes policy have had a dramatic effect on differentials.

This applies to the great bulk of employees. Top earners in management and elsewhere have, of course, been especially hard hit by the cut off limit in phase one.

Their post tax earnings have also been hit disproportionately by fiscal drag which has increased their tax burden. However, there is evidence that the squeezing of managerial pay structures is not simply due to pay policy, although no doubt exaggerated by it.

There has also been a substantial shift at the bottom end in the differential between men and women. The gap has narrowed, but it is not clear whether this is due to pay policy or to other factors.

It is not sufficiently recognized that differentials between groups of workers are in a constant state of flux. The labour market were to operate more efficiently movements in relative pay would be more pronounced.

But more importantly, there has been a long term trend of compression of earnings between skilled and unskilled workers and between very high earners and the rest. Pressures to help the lower paid existed long before the introduction of pay restraint.

Why, then, has there been

so much fuss about the pay policy erosion of differentials? First, incomes policy has coincided with the sharpest fall in average standards in Britain since the war. When people complain about their eroded differentials they are often just bemoaning their loss in absolute purchasing power.

Secondly, the skilled workers whose position has been deteriorating for some time have now been awakened to the fact by the sharp squeeze on their real incomes. This long term erosion has come with the growth of union power among the unskilled and semi-skilled workers.

It has occurred with free collective bargaining and incomes policies alike, as the bargaining strength of the more numerous lower paid workers has outweighed the economic strength of the skilled and more valuable workers when all have been negotiating together. The movement towards equal pay, which has pushed up the relative earnings of women (who are typically low paid) has exaggerated the trend.

Thirdly, pay scales do become distorted under formal wage restraint when simple and inflexible rules govern settlements and some anomalous wage structures are frozen. Distortions which do not actually compress income distribution may wrongly be blamed on a distortion.

It would be surprising if two years of incomes policies designed to help the lower paid, and (especially in the first round) to hit the rich harder than the rest, did not alter the distribution of earnings.

But the evidence so far available, which is admittedly rather thin, does suggest that the compression of differentials has been much less marked than one would suppose, and scarcely more severe than has occurred in some years of free collective bargaining.

The latest results from the Government's annual New Earnings Survey—the main source of detailed information on incomes in Britain—are for April 1976. Only nine months of the £5 a week policy are thus covered.

Nevertheless, it was expected that some squeezing of earnings would be shown. This has only occurred at the top of the scale. The gap between the top one per cent of male employees and the rest has widened by 1.5 per cent in the earnings distribution. But economy-wide differentials have otherwise been little changed.

We must wait until the 1977 survey. But the percentage element in the present pay policy will have preserved the differentials for those—and they include many union members—earning between £50 and £80 a week at the start of the pay year.

A run of figures showing the changing relationship this century between the earnings of a skilled fitter and those of a general labourer in engineering puts a pay policy squeeze on differentials into perspective.

The greatest levellers this century were the two world wars. Apart from them the rewards of the skilled were hobbled by the economic depression of 1929 and 1932—under free collective bargaining. It is difficult to assess the effects of the latest incomes policies because the engineers were among those whose transitional arrangements under phase one meant that they were not tied to the £5 a week rule.

A sharp 3 per cent narrowing occurred nevertheless between July 1975 and 1976, but this was almost entirely due to the fact that the £5 a week rule was excluded (as it should be to isolate movements caused by pay policy). On that basis the erosion of the fitters' pay advantage was especially sharp between the end of 1974 and 1975.

Anecdotal evidence to the TUC and the CBI supports the view that differential erosion has not been especially compressed by phases one and two. Disappointed expectations—(especially among those who took on large commitments in 1974 in the belief that their real incomes would continue to rise)—and a lack of flexibility in the pay settlements, have contributed more to dissatisfaction with pay restraint.

Another complication is that while the economist is more concerned with relative differentials in each of the major groups, it is the gap in cash terms that matters most to employees.

This would have been preserved by the almost uniform application of the policy of the flat rate of £5 a week, and widened for a significant number of workers by the percentage rule in phase two. Although phases one and two prescribed strict rules for wage settlements, which have been observed for all major groups at least, the policies also allowed for other earnings increases. Job changes, promotion,

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increases in overtime and transitional arrangements (including Equal Pay) have led to substantial wage drift.

Whereas the earnings increase as a result of pay policy settlements was an estimated 10 per cent in phase one and 41 per cent in phase two, the actual rises in average earnings were 14 per cent and 8.10 per cent respectively. It is possible that this drift has ironed out some pay policy distortion, but it does not appear to have favoured higher paid workers.

Flexibility in the next pay round is needed to sort out problems of pay anomalies and to enable the labour market to discriminate between more and less valuable workers.

It may unfortunately be used for an explosive round of leaping, but the stress is on flexibility. The restoration of those differentials ruling on July 31, 1975, would create as many grievances as it solved.

Caroline Atkinson

Points from the Statement to members of the British Insurance Association by the Chairman, Mr W. C. Harris.

● The past year was one when politicians forced us to divert energies from the vital business of providing a worldwide insurance service to deal with their threats to that business—threats which would damage not only the insurance industry but the economy as a whole. I refer to the Labour Party proposal, now official policy after years of rumbling from the Left, to nationalise the seven largest insurance companies.

The proposal has nothing to do with providing a better service for our policyholders; it stems from a doctrinaire desire to gain control of the funds for their policyholders.

● It was some comfort to be told before the Party Conference had accepted the resolution that Mr Callaghan would regard insurance nationalisation as his own words—an electoral albatross. His view is supported by opinion polls which indicate that 75% of the public oppose nationalisation. Their views are shared by the unions representing insurance staff—for example in February 1977 ASTMS delegates rejected proposals for the nationalisation of the insurance industry.

● So insurance nationalisation is not wanted, yet there it is in the Labour Party programme waiting an opportune moment for inclusion in an election manifesto.

● It must be our task in the years ahead to improve understanding of insurance so that nationalisation proposals can be relegated to the limbo where they belong.

● Despite the difficulties which have been described we have worked hard to improve understanding of our business in all political parties. I am encouraged by the amount of time Members of Parliament have been willing to devote to hearing our reasoned arguments.

W. C. Harris
A reprint of the Chairman's Statement to Members and a booklet about the role of insurance in Britain's economy are available from the Consumer Information Department.

British Insurance Association
Alderman House, Queen Street, London EC4A 3JD

Business Diary: Crummet voluntary • Now read on

Britain's oldest crummet factory closed yesterday because of an inter-union dispute. The management of Tilly's Crummet, Cheltenham, said it was not prepared to continue operating while a dispute went on between the Transport and General Workers' Union and the Bakers' Union.

The row began several months ago when the TGWU began recruiting members to the factory which claims to have been the first in Britain to produce the traditional tea-time crummet. The Bakers' Union organised a closed shop agreement with the management soon afterwards.

William Tilly, the managing director, says that the closure is final. The workers—there are more than 100—were paid off at lunch-time, although the TGWU thinks that the factory will re-open in time for the new crummet season in September.

Newspaper vendor James Lyddall, a familiar face to pedestrians in Kensington High Street, London, has some good news for once—and it's not for sale.

Lyddall recently received seven days' notice to quit his pitch of six years outside what was Lyons' coffee shop and Pouting, the Royal Borough of Kensington and Chelsea, which grants his licence, had apparently received representations from the developers of the site, Sir Denis

Mountain's English Property Corporation.

There is no right of appeal against such a decision, but because comparable sites are hard to find Lyddall exercised his right to be heard by the council's works committee chaired by Gerald Gordon.

Now, I learn, the Tory-controlled council has decided to give a small businessman a break. Lyddall is to be told officially today that he can keep on selling papers until his licence comes up for renewal in December.

By that time, the scaffolding and hoardings outside the site will have come down and it will be possible to test Lyddall's contention that his stall will not be an obstruction.

Lyddall says that photographs taken by Business Diary's photographer John Manning probably helped to secure this breather. These, the vendor says, showed that a blank wall between two stores against which the stall stood had not disappeared as the council's drawings appeared to suggest.

The wall had merely been reduced by the addition of a door, against which Lyddall is now standing a smaller stall.

We received yesterday a note to say that an accountant was leaving a company in this country to take up an appointment in another firm overseas. His name is Richoff.



John Silkin: when vermouth makers mix it.

The battle for the fast expanding vermouth market, at present worth £31m a year, is warming up with the two biggest contenders, the Italian Cinzano and Martini concerns, opening large British bottling plants within a few days of each other.

Last week Martini opened a plant costing more than £3m at Southampton and today John Silkin, the Minister of Agriculture, is opening a £2.5m Cinzano counterpart at Telford, New Town, Shropshire.

Martini already had a small bottling operation in Britain, but, like its rivals, was largely dependent on sub-contractors. Although Cinzano's new plant

cost less, it has more capacity. The difference in costs is accounted for by the use of a rented factory as against a new construction at Southampton.

The size of the Telford plant (36,000 bottles an hour) has led to speculation in the trade that Cinzano plans to undertake contract bottling for some of the newer continental arrivals.

Martini dominates the vermouth market, with 65 per cent against Cinzano's 21. Its leadership is based largely on sales of its Extra Dry and Rosso lines, while Cinzano is the leader in Bianco.

But with the total vermouth market still growing rapidly the Turin-based neighbours are pushing hard to capture more sales for their weaker brands.

For the executive who has everything, including blood pressure, an Israeli company, Medica Scientific Instrumentation, has started production of a do-it-yourself unit for measuring it. The first 100 are to be sold in the United States and are being directed, at the moment, to a medical profession, but at the layman.

The Post Office has been doing good business at Barking this week as 14,000 Vickers workers in the town's shipyards have received letters

terminating their contracts of employment.

The letter did not sack the men but merely anticipated today's nationalization of the shipbuilding and repairing industry, whereupon the men will start work for British Shipbuilders.

Vickers apparently decided to send the letters because of the letter that might result in the works if they had been put in with the weekly wage slips.

The London taxi-driver, like Cleopatra, is a creature of infinite variety.

Take the driver a friend and I hailed outside our Grav's Inn Road office—friendly to go to Waterloo, about ten miles to go. I took the taxi on another mile or so.

"Waterloo?" cried the stricken driver as we took our seats. He'd just had to turn down a woman who wanted to go to "too far", he said, because it was "too far".

As he reluctantly drove off, it occurred to me that he had been asked to go beyond Waterloo, whereupon, although he had already started the clock, he said he would go no farther than the station. I could easily find another taxi there, couldn't I?

Oho, said I, I could do even better than that. I asked him to stop and get out, and my fellow traveller came out in sympathy.

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

New issues steal the limelight as prices rally

With general trading reduced to a minimum by the gloomy industrial background investors were quite happy to turn their attention to the present clutch of new issues.

The BP shares continued to enjoy a lively trade but most of the interest centred on the imminent debut of Sotheby's and Lasso. Reports suggested that the flotation of the auctioneer was up to 20 times over-subscribed and that the list had been swollen by a good

and most issues stayed between a creaser and a half down after being lowered in the first instance by the threat of a postal strike.

There was a continuing demand for the BP partly paid shares which closed 12p ahead at 380p with the old rising 6p to 932p. Shell rallied from its recent uncertainty to end at an unchanged 570p while issues in Lasso included British Borneo up 20p to 184p, James Finlay up to 246p and National Car-bonising which gained 3p to 66p.

Both classes of Beaverbrook shares were suspended ahead of news of an agreement with Trafalgar House which ended a penny better at 117p. Beaverbrook "A" was suspended at 67p and the ordinary at 300p, in

both cases no change from the overnight level.

Closely following the pleasing results J. Lyons dipped 3p to 92p after news that it had sold a 66.5m stake in the Tower Hotel to EMI, 2p off at 220p. There was a sudden burst of renewed speculative interest in Concrete in the hope of better bid terms and the shares closed 6p up at 116p. The offer from Hambros spurred Hellenic & General to a 10p rise at 48p and Wm Brown, an erstwhile takeover prospect, dipped 3p to 54p on adverse talk and some share disposals.

On the electrical pitch both Thorn "A" 10p to 316p and GEC 4p to 202p went better in anticipation of figures due soon but industrial problems con-tinued to weaken Lucas which

fell another 4p to 284p. After figures Laurence Scott recovered early fall to end at an un-changed 106p and Granada, another with a statement, firmed a penny to 63p.

In engineers Swan Hunter's yard deal with British Ship-builders had the shares 10p to the good at 122p and brought sympathetic strength to Yarrow, 9p to 197p, and Hawthorn Leslie, which rose 4p to 70p. Among the industrial leaders there were surprising falls from Bechem at 444p, ICI, 406p, and Glaxo, 525p, and an even weaker snoot was to be found in Unilever, which shed 6p to 488p. Eur rect "buy" recommendations Pilkington and Rediff and Colman held steady at 400p and 467p respectively. Reynolds Par-sons rallied from the recent

weakness which has stemmed from doubts over the Clarke Chapman merger. The share rose 4p to 171p.

A joint Dutch development contract helped Warren Hold-ings to gain 8p to 170p, while an isolated firm spot in the property sector was Capital & Counties, which added 3p to 36p.

After reporting a loss and passing a final dividend Shaw Carpets were marked down 5p to 21p but profits helped RKT Textiles to go ahead 2p to 49p. Ahead of figures V. Blackman & Conrad slipped 3p to 30p. In after hours trading S. Hoffmann at 81p gained a penny or two after being freed from dividend

Granada streamlining pays off and Barranquilla looks good

By Ray Maughan

Granada Group has just beaten chairman Lord Bern-stein's forecast of 30 per cent growth in the 28 weeks to April 16 last. Stimulated by strong ad-vertising revenue on the tele-vision contracting side and the benefits of adding Spectra to the rental business, pre-tax profits grew by 34 per cent to £11.62m.

The integration of Spectra cost an exceptional £1.49m. Adding this back indicates a rise in United Kingdom rentals from £4.83m to around £7.2m and, given that the colour tele-vision rental market is flat by contrast, to the earlier days, rationalization is clearly making an impact.

The pre-tax margin on a normal set is about 15 per cent. Stripping out the cost of serv-icing and maintaining the duplicated branch network, this rises to about 40 per cent when two rental operators merge.

Small independent rental operations have been steadily disappearing in the last few years and speculative interest must now focus on Television and Henry Wigfall. Those are the two smallest quoted rental groups in the market.

Elsewhere, Granada Tele-vision enjoyed a rise of 31 per cent in advertising revenue—right



Lord Bernstein, Granada chair-man: forecast beaten.

in line with the sector average and profits rose from £10 to £16.03m with the incli of Spectra and the high of writing off sets overes-sterling terms—and Gran- consequent strong cash position effectively rules the early possibility of a rise

A healthy second half con-tribution is also on the cards from overseas rental activities. Reporting for the six months to December 31, these operations

improved profits from £18 to £33.000 but, as a per- aggressive expansion has been completed, the Ge and Canadian subsid could double profits January-June.

For the longer run, the thirds owned Barranquilla, vestments is expected to a more positive contribu-tion 1979-80. Barranquilla has a class, ungear, property folio, much of it in the Rent reviews coming up about two years time are poised to be good.

Cearing however re-high. Short term debt in last balance sheet amount £21.9m against £11.2m interest charges in the 28 v by about 50 per cent £3.67m.

But the group does not guard this as a problem—ci- station alone rose from £10 to £16.03m with the incli of Spectra and the high of writing off sets overes-sterling terms—and Gran- consequent strong cash position effectively rules the early possibility of a rise

The shares responded wi-1p rise to 63p and the g interim dividend is hoisted the maximum 1.6135p share.

Latest results

Company	Share	Profits	Earnings	Div	Pay	Year's
Ang Africa (F)	0.74(0.71)	0.13(0.23)	0.26(0.27)	0.36(0.75)	19.7	13.0(1.5)
Barranquilla (F)	23.6(21.1)	0.41(0.40)	25.2(23.1)	11.8(10.7)	1/10	-17.8
Brady Leslie (F)	23.6(21.1)	1.51(1.38)	17.7(15.4)	2.75(1.75)	—	4.5(3.06)
Burtonwood (F)	9.4(8.1)	1.21(1.0)	—	3.0(2.7)	26/8	3.0(2.7)
Carding (F)	8.0(7.4)	0.31(0.27)	—	0.32(0.19)	8	0.32(0.19)
Cavendish (F)	1.21(1.0)	0.51(0.5)	—	2.1(1.9)	—	2.1(1.9)
Crest Nichols (F)	11.1(10.6)	0.42(0.40)	—	1.0(0.7)	4/10	-1.2(0.9)
Dunford & Elliott (F)	40.1(28.0)	1.68(0.59)	—	1.0(0.7)	—	1.0(0.7)
Granada (F)	10.6(12.5)	0.41(0.13)	7.6(13.0)	1.0(0.5)	1/10	-1.7
G. B. Kent (F)	1.21(1.0)	0.03(0.001)	—	1.0(0.5)	—	1.0(0.5)
Robert Nitehen (F)	6.2(5.5)	0.11(0.57)	—	1.0(0.5)	—	1.0(0.5)
Laurence Scott (F)	28.6(31.54)	0.01(0.24)	16.92(11.24)	2.7(1.75)	—	2.7(1.75)
L. Crenation (F)	15.4(13.1)	1.31(0.3)	11.3(9.3)	2.5(1.81)	—	2.5(1.81)
L. Crenation (F)	15.4(13.1)	1.31(0.3)	11.3(9.3)	2.5(1.81)	—	2.5(1.81)
J. T. Parrish (F)	3.1(3.0)	0.11(0.11)	7.03(10.84)	3.8(3.8)	—	3.8(3.8)
Renold (F)	6.0(4.5)	0.39(0.14)	—	1.58(1.58)	14/9	-1.2
RKT Textiles (F)	20.1(18.2)	0.22(0.22)	1.9*(3.9)	1.0(1.2)	—	0.87(2.7)
Shaw Carpets (F)	18.5(15.3)	1.81(1.3)	4.36(2.91)	1.96(1.7)	—	2.5(2.2)
Thermal Smp (F)	10.5(9.8)	0.35(0.59)	56.2*(5.8)	1.0(0.5)	11/8	—
Weston-Evans (F)	11.6(10.4)	1.40(0.7)	11.0(7.6)	1.91(1.66)	3/10	2.7(2.4)
Wilson Bros (F)	10.4(10.4)	0.79(0.45)	4.77(2.27)	0.75(1.0)	—	1.25(1.0)

Dividends in this table are shown net of tax on per share. In business news dividends are shown gross multiply the net dividend by 1.54. Profits are shown pre-tax, and earnings are net. *Loss. †To reduce surplus, 415 months.

Lively Stead & Simpson widens its margins

By Alison Mitchell

Hard on Government pro- posals to tackle the problems of the footwear industry, shoe shop to motor trader Stead & Simpson turns in a record profit for the year to March 31 last.

After a 23.5 per cent rise at half time, the group boosted pre-tax profits 41 per cent to £1.89m in the full year. Turn-over rose from £15.4m to £18.5m in the period, widening margins from 8.7 per cent to 10.2 per cent.

Last year the group made a surplus of £414,000 on the sale of properties compared with £475,000 the year before. A revaluation of freeholds and long leaseholds shows an

excess of £13m over the book value of the properties, on April 1, 1977. However, this does not take account of any losses on the sale of tax on capital gains.

The directors recommend a final dividend of 3.0367p making 3.8776p. This compares with 3.5251p.

For good measure share-holders this time round get a one-for-three scrip issue. Around 7.2m new "A" ordinary 25p shares are to be issued to bring the capital more into line with assets.

Last year turnover at Stead & Simpson fell 18 per cent to £12.6m, but better sales of foot- wear clawed much of this back by the interim stage.

Shaw Carpets' second-half loss

By Victor Felstead

A disastrous second six months plunged Shaw Carpets into losses in the year to April 29, and down went the shares 5p to 21p.

In spite of a 10 per cent in-crease in sales to £20.13m, Shaw replaced pre-tax profits of £721,000 with pre-tax losses of £229,000. So shareholders will not get a final dividend, which leaves them with the interim of 1.34p. In 1975-76 they got 3.41p.

The board explains that the loss largely reflected excep-tional circumstances, the start-up costs of new machinery and losses by the sales subsidiaries in France and Germany.

As the first-half's pre-tax profits had doubled from

£126,000 to £258,000, the year's figures point to losses in the past six months of £487,000.

Trading profit only fell from £1.62m to £1.35m, but depreciation, a charge in interest charges from £187,000 to £347,000 and Milliron start-up costs of £552,000 this year, against nil last time, took their toll.

On a more cheerful note, direct exports jumped by 66 per cent to £5.66m.

Mr James Hartley is chair-man of this Dartmoor, South York-shire, producer of patterned and plain tufted carpets. He explains that the start-up of the Milliron carpet-patterning machine, the prototype of which operate commercially in the United States, was delayed by several months due to "un-foreseen technical problems".

Most of the £552,000 of com-missioning and other revenue costs in the Milliron project occurred in the second half year. But Milliron, the capital cost of which is fully paid for, is now operating satisfac-torily. It provides Shaw with a "unique opportunity to make inroads into the woven sector of the carpet market".

The losses in France and Ger-many have stopped. Shaw's board remains confident about the long run, particularly in view of its investment in Milli-ton. However, the industry, in the short run, faces tough trading thanks to reduced dis-posable incomes and low hous-ing started. However, Shaw is well placed to take advantage of the next upturn.

Hope, but no joy from Luis Gordon

Luis Gordon, the Pedro Domecq sherry group, has plunged heavily into the red with 1976 pre-tax losses of £410,000. The year before it made profits of £179,000.

Turnover improved from £13.5m to £15.7m. But previous earnings per share of 3.0p turned into a 7.6p loss and shareholders get no dividend. In 1975 they had a gross pay-ment of 0.77p.

However, recovery measures are in hand. Since the begin-ning of the year the directors have taken steps to reduce fixed costs. These include the move of the main operating part of the company to its Maidstone premises, intended to produce big savings. Costs should be reduced "substantially", sav-ing the group around £500,000 annually.

Because of the seasonal nature of the business, Mr Ronald Plumley, chairman, makes no forecast for this year. However, if sales can be maintained and Pedro Domecq International continues its sup-port, the impact of the cost-cutting should be felt. The red at the end of the year.

Robt Kitchen Taylor back in the black

The measures taken by the constituted board at Robert Kitchen Taylor seem to be working. These steps included appointing a receiver to Advance Domestic Appliances, a subsidiary which was making "unacceptable" losses, and an increase in the stake in RKT Textiles to over 75 per cent, entitling the group to tax relief.

In the six months to March 31, the group managed to turn pre-tax losses of £378,000 into profits of £117,000. Turnover went up from £5.5m to £6.2m.

Interim results at its subsidi-ary RKT Textiles have also improved. Pre-tax profits jumped 183 per cent to £398,000. Turnover climbed from £4.5m to £6m. But the gross interim dividend remains unchanged at 2.43p.

Business in the first six months was good but the weather has since slowed down the rate of sales of some summer lines. However, this should be offset by the sale of autumn/winter ranges.

Thermal Syndicate dips but exports up 54 pc

On sales 17 per cent ahead at £4.77m, the pre-tax profits of Thermal Syndicate fell from £606,000 to £551,000 in the half-year to April 30. These profits exclude the surplus on the sale of "know-how".

Having won the Queen's Award for Export Achievement 1977, exports jumped by 54 per

cent in the six months. Sir John Page, chairman, reports that the year's trading profit—excluding those from the sale of "know-how"—will be "much the same" as last year. The board intends to lift the year's total payment by the maximum allowed.

Jump of 44 pc takes Weston-E. past £1m

Weston-Evans, the machinery manufacturer, has broken the million pound profit barrier for the first time with a 44 per cent rise to £1.41m pre tax in the year to March 31 last.

Sales improved from £10.1m to £11.6m with most of the increase coming from the packag-ing materials division.

Much of the growth previ-ously has come from the Ameri-can offshoots but Mr Fred Crossland, chairman, predicts an upturn in the United Kingdom in the current year. Order books in most subsidiaries show "sub-stantial" increases over last year.

A final dividend of 6.4704p gives a maximum annual total of 7.7344p.

According to plan at Dunford & Elliott

The Dunford and Elliott steel and engineering group, which was taken over earlier this year by Lloyds, is back in profit—as predicted. In the half year to April 2, turnover jumped from

£29.07m to £40.17m, on which Dunford made a pre-tax profit of £1.68m, compared with last year's pre-tax loss of £593,000. Interest charges rose from £1.31m to £1.79m. A few months ago a year's pre-tax profit of about £5m was forecast, against last year's pre-tax loss of £1.1m.

Burtonwood Brewery climbs to £1.3m peak

A 42 per cent rise in second-half profits to £574,000 has taken the pre-tax total of Bur-tonwood Brewery (Forshaws) to a record £1.29m for the year to March 26. This is an increase of 29 per cent. Turnover rose 16 per cent to £9.4m. So margins widened from 12.36p per cent to 13.7p per cent.

Shareholders are to receive a dividend of 4.74p gross, against 4.26p.

The board says that sales have been maintained despite price and excise increases.

Receiver appointed at Glenfield Kennedy

A receiver is to be appointed for the Kilmoreck hydraulic engineering firm of Glenfield & Kennedy which has a work force of 1,042. The news comes a fortnight after the Ameri-can owners, Crane (U.K.), announced that they could not meet the firm's losses at the plant. Over the past fortnight efforts have been going on to

find a new company to take it over. In a statement to the workers Glenfield & Kennedy put some blame on the Govern-ment for failing to give what they called the "green label" on financial backing.

Only feeble upturn in packaging—Alida

The upturn in packaging has not been as strong as hoped, says Mr B. Stone, chairman of Alida Packaging Group. There has been little stock building which at least has helped to steady the market after the up-sets in 1974-75. The group anticipates a steady improvement in profits.

Debenhams' better balance sheet

"Once again our balance sheet shows a marked improve-ment", declares Sir Anthony Burney, the chairman of Deben-hams, in his annual statement. After consultation with the auditors, the board has trans-ferred the provision for deferred tax to reserves and, as a result, shareholders' interests are now £142.7m, or 63 per cent of the total funds employed of £227.4m.

Nevertheless, the rate of the group's developments has ab-sorbed its internally-generated cash resources and it recently made a rights issue, raising a net sum of almost £22m base to which to enlarge its capital

Singer sees better second half

The second-half income of the Singer Sewing Machine Company of America this year is expected to exceed that recorded in the same period of 1976, Mr Joseph Flavin the chairman says.

Mr Flavin also said that the company was ahead of schedule in restructuring its debt and intended to resume dividends on the common stock by the fourth quarter of the year. Reviewing the company's pre-liminary outlook for second quarter 1977 results, Mr Flavin said: "For the second quarter, we are looking for a growth in the area of 10 per cent in sales, operating, and net income as compared with the second quarter of the previous year."

This will compare to restated second quarter sales of \$510m (about £300m) in 1976 and operating income of \$35m respec-tively, and net income of \$15.4m. Discussing the effect of anticipated second quarter results, Mr Flavin said: "We are on plan for the first six months, however, the mix of contributions from the various businesses is different. In terms of operating income from the company's three major product areas, sewing machines, primarily due to industrial sewing, while pro-ducts manufactured for the consumer were up, primarily

International

because of power tools, floor care and furniture.

Teck plan approved

Teck Corporation of Van-couver and Baramda Resources say they have received approval from the Foreign Investment Review Agency for the pre-liminary proposal to sell to the company's coal prop-erties in north eastern British Columbia to BP Canada and BP Canadian Holdings, part of British Petroleum.

US art merger plan

M. Knoedler and Company, a major American art gallery concern owned by Dr Armand Hammer, and Modarco SA, a publicly held company that in-vests in art, has announced plans to merge. Dr Hammer said that Modarco held inven-tories of art valued at about \$20m. In an exchange of stock, Knoedler and the present Mod-arco shareholders would each own 50 per cent of the merged company. Knoedler-Modarco SA, Dr Hammer, who is also chairman of Occidental Pet-roleum Corporation, would be chairman and president of the new company, and a Modarco

official would be vice-chairman. The transaction depends on a favourable United States Government ruling on its tax

Peugeot-Citroen

SA, the French car group, expects this year's results to be about the same as in 1976, but it is not impossible that this forecast may have to be revised down-wards, the board says. Produc-tion and sales are also expected to be around the 1976 mark or slightly higher. It said that this year had been well but there was now a slowing in domestic demand. Renault, the other major car group has also fore-cast that the outlook for the coming months is not as good as the first half.

Air Liquide scrip

Société l'Air Liquide, a major French producer of industrial gases, will make a scrip issue, it was announced at a share-holders' meeting. The group said that if the results achieved during the first quarter are maintained throughout 1977, last year's dividend of 11 francs per share should be maintained. The increased capital result-ing from the scrip issue, l'Air Liquide is at present capitalized at \$82.3m francs (about £66.9m).

Motor vehicles lead Carding to better times

Recovery continues at Card-ing Group after the severe reverse in 1974-75. The Solihull-based concern managed to raise its pre-tax profits from £372,000 to £431,000 in the year to March 31. Turnover went up from £7.45m to £8.07m.

Pre-tax profits reached a record £629,000 in 1973-74, but slumped to losses of £37,000 the following year. The com-pany's profits of £372,000 in 1975-76. The group's most important division is motor vehicles, which raised trading profits from £405,000 to £503,000 in 1976-77 on a turnover up from £6.1m to £7.25m.

Trading profits from prop-erty investment income rose from £315,000 to £382,000, but that from the property division tumbled from £154,000 to £41,000.

Net profits fell from £250,000 to £201,000, after heavier tax of £230,000, compared with £122,000. So, net earnings per share (basic) have dipped from 1.08p to 0.87p. The dividend, gross, rises from 0.29p to 0.5p. The board has been looking at ways of stimulating recur-ring lines of income without placing heavy burdens on cash-flow. It has entered into trans-portion leasing in a "modest way".

London & Midland at peak £1.57m: outlook good

In the year to March 31, the pre-tax profits of London & Midland Industrials rose from £1.36m to a record of £1.57m. This was in line with the board's predictions. Sales rose from £13.1m to £15.41m. As forecast last year, the total gross payment was set up at £6.3p, adjusted, to 6.5p. Treas-ury permission has been given on recovery grounds. Mr C. M. Beedon, chairman, reports that the board foresees further in-creases in profits this year. Lon-don & Midland has two main areas—engineering and con-sumers goods.

OVENSTONE INV

Company has requested sus-pension of ordinary pending outcome of negotiations which may ben-efit shareholders.

HIGHLANDS AND LOWLANDS

Company has accepted offer of £26,500 an acre for 408 acres of Highland's estate lying within Kelang town boundary.

S. HOFFMANN

Since group is trading almost exclusively overseas, Treasury has confirmed that it will not be sub-ject to dividend curbs. Board is recommending a dividend for year to March 31 11p per cent better than 1976 payment.

PRINCE OF WALES HOTELS

Chairman says that since year-

New chief is named for Jacques Borel

Nearly two months after the news that Mr Jacques Borel was leaving his loss-making Jacques Borel International restaurant and catering group "for per-sonal reasons" the board has appointed a successor. He is Mr B. Treizenberg. He replaces Mr B. Westerman who has been holding the reins as chairman and managing director as an interim measure. Mr Westerman returns to his post as managing director with Mr B. Cohen and Mr G. Garcia.

The group made a loss of £22.5m francs for 1976, and for the first quarter of the current year losses rose from £2.3m francs to £4.8m.

and group has sold Park House Hotel, Blackpool.

Trading so far this year is en-couraging and he looks forward to a material increase in profits.

JOHN FOLKES REFO

Turnover in first half of 1977 will have risen by about 20 per cent. Profit will probably not have grown so fast but now on margins should improve.

GARNAR SCOTBLAIR

Acquisition of Wilson and Tilt completed. Garnar has allotted 666,337 ordinary to vendors.

HAMBROS

Group has bought a further 14 per cent of Halcrow from ordi-nary and 14 per cent of preference to take its share of the unrestricted voting rights to 67 per cent. Offer for the rest will follow.

MATTHEWS HOLDINGS

Simon & Coates has sold 21,400 ordinary shares at 54p for an associate.

SKUKWE GOLD MINING

Revised offer for Kaduna Syn-dicate now accepted for 89 per cent of equity. Offer stays open but cash alternative has closed.

Business appointments

Three changes to board of Kleinwort, Benson

Mr C. A. L. Arnold has be-come director of Kleinwort, Benson. Mr H. H. Concor has signed from the board to take up a full-time executive post with Kleinwort Benson McCowan Incorporated in New York. E. C. Fitzsimmons has retired from the board of Kleinwort, Benson.

Mr Nicholas Clarke, Mr Robert Colvill, Mr Malcolm Davidson, Mr Michael Flimston, Mr Georges Gason and Mr Christopher Wigan have been made directors of Samuel Montagu.

Mr Geoffrey Haslam, chief general manager of Prudential Assurance, has been elected chair-man of the British Insurance As-sociation.

Mr John Waplewhite has be-come a part-time member of British Shipbuilders' board.

Mr A. G. Speake becomes a director of London and Northern Group.

Mr R. Backes has joined the board of Slough Estates.

Mr R. Munro has been made financial controller of Consolidated

What's to stop a company that's grown 1400% in ten years dying just as quickly?

1976: Earnings per share 15p.

How Hanson Trust managed to succeed where others have failed

The USA has been the graveyard of many British ventures. This has made some companies extremely circumspect about establishing offshoots there. Hanson Trust's policy of investing in established companies with strong balance sheets has brought a very gratifying level of success. For instance, typical of our investments in the U.S. are a meat processing company and a textile related group. Both are in staple areas and both are contributing considerably to Hanson Trust's profits. In fact, last year over 60% of our profit was generated in the U.S. How many other companies do you know who've had this level of success across the Atlantic?

When did the price of frankfurters in the U.S. last affect the price of bricks in Wales?

Our widespread investment in basic staple industries helps to ensure that even if there's a recession in one industry then the profits from another will aid the company to maintain its performance targets. Thus in times of economic uncertainty shareholders have been reassured and, given reasonable economic conditions, they can expect (and have been given) exemplary growth. In this way Hanson Trust is able to turn its involvement in so-called cyclical industries to distinct advantage, yet allow each of its subsidiaries to remain self-sustaining except for reference to us through our rigid budgetary control and operating over-view.

A matter of opinions

There are a great many different opinions about Hanson Trust. One has only to read the press following announcements of our results to see how wide-ranging these views are. But while the pundits argue, we get on with what we do best; working hard to create more profit, more jobs, more wealth for Britain and greater security for our employees and shareholders.

Hanson Trust

The industrial management company where people are as valued as assets.

1973: Earnings per share 7p.

been lost in the forest of sapling companies which sprouted at that time and have since withered. What set it apart was the Hanson philosophy of investing in companies which are in basic, staple industries with sound assets and just as importantly, good management potential. This criterion was applied to every investment then and it's applied to every investment today.

A blueprint for success

In following the policy of investing in companies with good management potential, Hanson Trust has laid a solid foundation for continued growth. In fact, so many people have had their attention diverted by Hanson's acquisitions they may be unaware of the fact that our organic growth has been sustained, and makes an increasing contribution to our profits. This is a direct and continuing result of the Hanson Trust philosophy. And because we are committed to growth through managerial excellence, we are not about to relinquish the hard-won positions our companies have achieved.

1970: Earnings per share 3p.

have a crystal ball and we can't guarantee the future, we'd like to tell you about our growth and why the reasons for it should make you confident of our long term prospects.

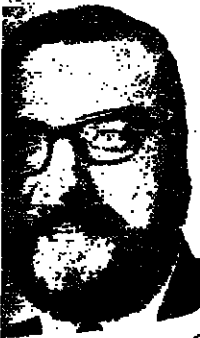
Many of our most valued assets go up and down in the lift each day

When Hanson Trust was born fifteen years ago it could easily have

1967: Earnings per share 1p.

In the past ten years Hanson Trust's earnings per share have grown by 1400%. And although we don't

board son



Curran, Pres's Director.

Amsterdam-Rotterdam
G. Martin has been
executive director of
John Curran has been
executive director of
Industrial
Combes-Mart.
South has been
Director-designate of
of Quantity Survey
take over the
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of the
Food Manufacture
Mr. Cyril Brad

Middle East Appointments

General Manager

Middle East
£20,000 p.a. tax free

An American Contracting Company, serving the Oil Industry for over 35 years, has an immediate vacancy for a GENERAL MANAGER for its ARABIAN GULF COMPANY, on the following General Terms and Conditions:—

- ★ Initial Contract to be mutually agreed, but long term employment is envisaged.
- ★ All-in Salary and Allowances, free of Local Income Tax, approx., U.S. Dollars 35,000 per annum.
- ★ Free Life Assurance and Medicare.
- ★ Company Car.
- ★ Reasonable Re-location Expenses.
- ★ 4 Weeks Annual Leave with Economy Return Air Ticket.
- ★ Annual Ex-Gratia Bonus.

Applicants should be between 35-40 years of age, with appropriate professional/academic qualifications (graduate mechanical engineering preferred), with at least 5 years' contracting experience, in a senior capacity, of oil industry construction contracts in the Middle East. Fluency in spoken Arabic not necessary but would be a distinct advantage.

Only applicants meeting these MINIMUM QUALIFICATIONS should apply in writing, enclosing a recent photograph, curriculum vitae and business, and/or home telephone number, to:—

D. A. POLKINHORNE, VICE PRESIDENT PRICE SERVICES INC., 42 DINGWALL RD., CROYDON CR0 2NE, SURREY.

Resident Sales Engineer - Dubai

International manufacturer of air conditioning products requires Resident Sales Engineer for marketing operations in Middle East.

Successful applicant will be responsible to Resident Manager Middle East and work closely with building services contractors and consultants.

Located in Dubai and travelling extensively in Middle East territories, the appointment will be backed by the company's extensive U.K. and European coverage of all leading companies in the air conditioning field.

Right person, 25-40, without children, will have wide knowledge of Middle East market and engineering background in air conditioning equipment.

Minimum salary around £8,000 with free accommodation and usual benefits and allowances.

Apply with full career details to:

Mr. J. E. Jordan,
Trox Brothers Limited,
Caxton Way, Thetford,
Norfolk IP24 3SQ.
Tel. Thetford 4545.

TROX

Every Friday
£6,000 plus
Appointments
For details or to book your
advertisement, ring
01-278 9161

Other appointments appear
on page 32

£6,000 plus appointments

Chief Executive

The Commission for Racial Equality invites applications for the post of Chief Executive to be based in its headquarters office in London.

The main functions of the Commission, which has been set up under the Race Relations Act 1976, include working towards the elimination of racial discrimination and promoting equality of opportunity and good relations between persons of different racial groups. It has a staff complement of over 200 and operates in three divisions, each headed by a Director. The Chief Executive is leader of the Management team, will be responsible to the Chairman for all aspects of the work of the staff of the Commission and will advise and assist the Commission in the development and execution of its policy.

Candidates must be of proven administrative ability; knowledge and experience of race relations are also desirable.

Salary: £12,000 p.a. plus supplement of £4 per week. London weighting of £465 per annum is also payable. Conditions of service, including a non-contributory pension scheme, will be analogous to those of the Civil Service.

Applications, accompanied by personal particulars, details of qualifications and work experience, and the names and addresses of two referees, should reach The Secretary, Commission for Racial Equality, 15-16 Bedford Street, London WC2E 9HX, marked 'Chief Executive-Confidential' not later than 18 July, 1977.

COMMISSION FOR RACIAL EQUALITY

Koch Shipping Inc.

Chartering Manager

Applicants (male or female) should possess wide experience gained in a ship-owning organization preferably with a mixed fleet. Age preferred between 30 and 40 years.

Benefits include pension scheme and use of a company car. Competitive salary commensurate with age and experience.

Applications in writing, indicating personal details, qualifications, shipping and business experience, to Mr. J. E. M. 1977.

Koch Shipping Inc., Brook House,
113 Park Lane, London W1Y 3AJ.

HEAD OF PUBLICITY AND PUBLIC RELATIONS DEPARTMENT

Applications are invited for the post of Head of the Publicity and Public Relations Department of the National Union of Teachers. Salary: £5,950-£7,583 plus Supplement £201 and London Allowance £201.

The Department is a very active one with a wide range of activities and assists with internal communications as well as external press and public relations.

Applicants should possess a good working knowledge of the education system and the Union's activities and policies, and be able to produce creative ideas in publicity and communications. Previous journalistic or public relations experience highly desirable.

The successful applicant will be required to commence duties on 1st September, 1977 or as soon as possible thereafter.

Typewritten applications giving experience and qualifications together with names of two referees (who should not be serving members of the Union's Executive) should reach the General Secretary, National Union of Teachers, Hampton House, Wandsworth Place, London, WC1R 8SD not later than first post on Friday, 15th July, 1977.

LAND MINE DISPOSAL EXPERT

urgently required
for special project overseas
by Oil related company

Write in confidence to
Box 1507 J, The Times

MIAMI-FLORIDA SALES EXECUTIVE

Young but experienced, who is prepared to travel extensively, is required for sales operation in U.S.A.

Based at
CORAL GABLES, nr. MIAMI, FLORIDA,
the territory includes the greater part of the United States of America. PRODUCTS ARE ARGENTINE CORNED BEEF, ARGENTINE FROZEN COOKED BEEF AND OTHER CANNED PRODUCTS including FRUIT AND VEGETABLES.

Experience in the marketing of Canned Goods, Cooked Meats and other canned commodities essential. The applicant should also be capable of managing a small office and staff, and of undertaking costings, import arrangements and shipping details. Experience in dealing with brokers and selling agents in U.S.A. would be advantageous but not essential.

Car provided. Health insurance cover and assistance with relocation expenses arranged. Salary by negotiation.

Applications in the first instance indicating salary required together with full c.v. including salary progression to:

CORPORATION OF ARGENTINE MEAT PRODUCERS (CAP) LTD.
CAP House,
9-12 LONG LANE, LONDON EC1A 9HD

DIRECTOR-GENERAL
required for
THE NATIONAL SUPERVISORY COUNCIL
FOR INTRUDER ALARMS

Due to the impending retirement of the present Director-General in November, 1977, the Council wishes to appoint a successor to the above post based at Maidenhead, Berkshire. The Council is the National Inspectorate for the Intruder Alarm Industry in Great Britain, and candidates should have a professional service or business background. Technical experience would be an advantage.

The successful applicant should be able to maintain good relations with bodies whose co-operation and support are essential to the Council's function, including government departments, the police and the insurance industry.

Remuneration is negotiable at around £7,500 together with motor car, pension and life insurance scheme.

Please write or telephone for an application form in the first instance to:—

THE SECRETARY,
THE NATIONAL SUPERVISORY COUNCIL FOR INTRUDER ALARMS,
ST. IVES HOUSE, ST. IVES ROAD, MAIDENHEAD SL4 1RD
TELEPHONE: 0628 37512

Shipbuilding Industry Training Board

SECRETARY TO THE BOARD

to succeed Mr. David O. Savill, who has been appointed to succeed Dr. Allan Macdonald, OBE as Chief Executive on his retirement at the end of September 1977.

THE BOARD services some thousand firms in the U.K. employing about one hundred thousand persons engaged in ship and boat building, repair and associated activities.

THE SECRETARY TO THE BOARD directs and co-ordinates the operations of the secretariat function of the Board's Head Office at South Harrow which, together with the training and finance functions, is an integral part of the Board's organisation under the control of the Chief Executive.

THE NEED is for a graduate or professionally qualified individual who has considerable experience of a wide range of administrative duties at senior level. An extensive knowledge of secretarial services and modern personnel practices is essential. Experience within the shipbuilding industry and/or of the work of an industrial training board will be an advantage.

AGE 40 to 50. Commencing salary, which is negotiable, will not be less than £6422 per annum with attractive pension and life cover and a car.

Write for Application Form to The Secretary to the Board, Shipbuilding Industry Training Board, Ratham House, Northolt Road, South Harrow, Middlesex HA2 0DR, to be completed and returned not later than July 15 1977. All applications will be treated in complete confidence.

Assistant Company Secretary

CITY Salary c.£7000

Glanvill Enthoven & Company Limited, the major international Lloyd's Insurance Brokers and members of the Charterhouse Group, are seeking to appoint an Assistant Company Secretary.

The successful applicant, male or female, will be appointed secretary of one or more subsidiary companies, as well as being responsible for a wide range of other duties.

Candidates should be aged 30 or over and, in addition to secretarial experience, have a secretarial, legal or accountancy qualification.

Please telephone or write for a confidential personal history form to:
J.A. Cannon, Director of Personnel, Glanvill Enthoven & Co. Limited, 144 Leadenhall Street, London EC3P 3BA. Tel: 01-283 4622.

Glanvill Enthoven & Co. Limited

FINANCIAL CONTROLLER

required by a medium sized Property Development and Building Company based at Hampton Court. Applicants must have previous experience in the Property development field and be capable of working on their own initiative in directing the company's accounting functions. This position is ideally suited to a young person seeking scope for advancement within an expanding organisation. An excellent salary commensurate with experience and a company car will be provided with 4 weeks holiday and usual fringe benefits.

Applications in writing to: The Company Secretary, Weir House, Hurst Road, East Molesey, Surrey.

Secretary

Applications are invited for the post of Secretary of the Surrey County Cricket Club which becomes vacant later this year.

The Secretary has responsibilities, through an Executive Committee and its Chairman, to the General Committee not only for the general administration of the Club but also for staging of Test and International Matches on behalf of the Test and County Cricket Board.

The successful candidate will probably be under the age of 45 and will have had both cricketing and business experience.

Remuneration is negotiable and includes the provision of a car and the availability of a house in Kennington.

Applicants should write, in confidence, to the Chairman by 15th July, 1977, giving career details and at least two referees.

SURREY COUNTY CRICKET CLUB

The Oval, Kennington, London SE11 5SS

The Samuel Lewis Housing Trust

GENERAL MANAGER

Applications are invited for the above position which will become vacant in the Autumn.

The General Manager is responsible to the Trustees for the administration of this expanding, old established Trust and the duties include: Management of the Trust's property in London (over 2,000 flats), supervision of a large modernisation and expansion programme in South East England, including work in a Housing Action Area and servicing the various committee meetings. He/she will head a staff of 70.

The successful applicant will probably have a professional background, considerable experience of housing management at a senior level and be between the ages of 35 and 45 years.

Salary for ideal candidate: £9,000 p.a., N/C Pension Scheme, Car Allowance, Four weeks Annual Leave.

Applications including full details of experience and qualifications to: THE CHAIRMAN, SAMUEL LEWIS HOUSING TRUST, C/O MESSRS. MYTH, DUTTON, BOLLOWAY, 9-10 LINCOLN'S INN FIELDS, LONDON WC2A 3DV

Chief Executive

The declaration of a 200 mile Canadian fishery zone has opened up exciting new opportunities for development in the Newfoundland fishing industry.

A skilled seasoned senior executive is required to bring into being and direct a new Crown Corporation which will be established to play a leading role in the Province's comprehensive fishery development plan.

The Corporation will be free standing with equity participation by the private sector being encouraged, and will be responsible for procuring additional offshore fish landings for distribution to fish processing plants in Newfoundland.

Catching capacity will be increased through charters, leases, purchases, or new vessel construction, and landings will be increased by direct purchases. Handling, storage and distribution functions also will have to be developed and co-ordinated.

In addition to proven executive and administrative ability, the successful candidate must be imaginative, resourceful and energetic. Familiarity with the fishing industry would be highly desirable.

Location is St. John's, Newfoundland. Remuneration will be attractive and commensurate with the responsibilities of this challenging position.

Reply in confidence giving full personal details to File 9868.

Woods, Gordon & Co.
Management Consultants

P.O. Box 253, Royal Trust Tower, Toronto-Dominion Centre
Toronto, Ontario M5K 1J7

A member of the Canadian Association of Management Consultants

